

REPORTS

FROM

THE SECRET COMMITTEE

OF

The Expediency of The Bank resuming Cash Payments.

[COMMUNICATED BY THE COMMONS TO THE LORDS.]

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FIRST REPORT

OF THE

SECRET COMMITTEE

ON THE

Expediency of The Bank resuming Cash Payments.

THE COMMITTEE OF SECRECY appointed to consider of the State of the Bank of *England*, with reference to the Expediency of the Resumption of Cash Payments at the period fixed by law, and into such other matters as are connected therewith; and to report to The House such information relative thereto, as may be disclosed without injury to the Public interests, with their Observations thereupon,—

ARE engaged in deliberating upon their Report; which they hope to be able to present to The House on an early day after the approaching recess.

The Committee having a confident expectation that, in that Report, they shall be enabled to fix a period, and recommend a Plan, for the final removal of the present Restriction on the Bank, think it their duty to submit to The House, that the execution of any such Plan would, in their opinion, be materially obstructed and delayed by a continuance of the drain upon the Treasure of the Bank, on account of the engagement of the Bank to pay in Cash all its Notes outstanding, of an earlier date than January 1st, 1817, and on account of the payment in Cash of fractional sums under £. 5.:

That the Committee therefore think it their duty to suggest to the House, the expediency of passing forthwith a Bill, restraining all such payments in Gold Coin, until the Report of the Committee shall have been received, and considered by The House, and a legislative measure passed thereupon.

5 April 1819.

S E C O N D R E P O R T

TAKEN BEFORE

THE SECRET COMMITTEE

ON

The Expediency of The Bank resuming
Cash Payments.

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SECOND REPORT.

THE COMMITTEE OF SECRECY appointed to consider of the State of The Bank of England, with reference to the Expediency of the Resumption of Cash Payments at the period fixed by law, and into such other matters as are connected therewith; and to report to The House such information relative thereto, as may be disclosed without injury to the Public interests, with their Observations thereupon;—HAVE further considered the matters to them referred, and have agreed upon the following REPORT:

YOUR Committee will preface the observations they have to make upon the matters immediately referred to them by the House, by a brief recapitulation of the laws which imposed and have continued the Restriction upon payments in Cash by the Bank of England.

It is not necessary to advert to the circumstances under which that Restriction was originally imposed by Order in Council in the year 1797, as they became the subject of Parliamentary inquiry previously to the passing of the Act, by which the Restriction was confirmed and continued. Its duration was limited by the first Act, which received the Royal Assent on the 3d May 1797, to the 24th June following. From that period it was continued until one month after the commencement of the succeeding Session; and again, by the first Act of that session, until one month after the conclusion of the War, by a Definitive treaty of Peace.

In 1802, the provisions of the Acts above referred to were continued in operation until the 1st March of the following year; they were farther continued until six weeks after the commencement of the then next session of Parliament, before which period war having again broken out, they were continued until six months after the ratification of a Definitive treaty of Peace.

An Act which passed in the year 1814, continued the Restriction until the 25th March of the following year, when, by an Act which recited in the preamble, "that it was highly desirable, that the Bank of England should as soon as possible return to the payment of its Notes in Cash," the farther suspension of cash payments was directed until the 5th July 1816.

In 1816 it was again continued till the 5th July 1818, the preamble of the Act reciting, "that it is highly desirable that the Bank of England should, as soon as possible, return to the payment of its notes in cash, but it is expedient that the provisions of the Acts imposing the restriction shall be further continued, in order to afford time to the Directors of the Bank to make such preparations as to their discretion and experience may appear most expedient for enabling them to resume payments in cash without public inconvenience, and at the earliest period, and that a time should be fixed at which the said restriction shall cease."

The Act which passed in the last session, after reciting that it is highly desirable that the Bank of England should as soon as possible return to the payment of its notes in cash, and that "unforeseen circumstances which have occurred since the passing of the last Act continuing the restriction, have rendered it expedient that the Restriction should be further continued, and that another period should be fixed for the termination thereof," directed that the Suspension should remain in force another year.

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The Restriction therefore at present stands limited to the 31st July next; and, in fulfilment of the duty imposed upon them by the House, Your Committee will proceed, in the first instance, to report the result of their inquiries into the State of the Bank of England, and their opinion with respect to the Expediency of the Resumption of payments in specie, at the period at which by law they are to be resumed.

I.

YOUR Committee called for an Account of the total Amount of outstanding Demands on the Bank of England, and of the Funds in the possession of the Bank for the discharge of those demands; and have ascertained, that the sum which the Bank were liable to be called on to pay in fulfilment of their engagements, amounted, on the 30th January last to £. 33,894,580, and that the Bank were then in possession of Government securities and other credits to the amount of £. 39,096,900, leaving a surplus in favour of the Bank of England of £. 5,202,320; exclusive of the permanent debt due from Government to the Bank of £. 14,686,800, repayable on the expiration of the charter.

This document furnishes a clear and decisive proof of the flourishing condition of the affairs of the Bank of England, and justifies that ample confidence which the Public have reposed in the stability of their resources.

The next point upon which the Committee required information, respects the amount of Cash and Bullion in the coffers of the Bank, at the present and at various other periods since the year 1797.

After several fluctuations in the Amount of their Treasure, which was very much reduced at the close of the war, there appears to have been a gradual increase from the month of July 1815, to the month of October in the year 1817. During the interval between July 1816 and July 1817, the market price of Gold did not exceed £. 3. 19s. per oz. The Exchanges with the Continent, for a very considerable portion of that period, were in favour of this Country; and the Bank took advantage of those circumstances, and made a great addition to the amount of the precious metals in their possession. The purchases made by the Bank appear to have had no unfavourable effect on the price of Gold; and there is reason to believe, that it would have fallen to the mint price, had not the Bank fixed the rate, at which they were willing to purchase, at £. 3. 18s. 6d. per oz. Mr. Goldsmid informed the Committee, that "at that period there were no other buyers in the market, at the price which was given by the Bank; had there been, they would have been supplied on the same terms, if they had wanted Gold." Being asked, whether, if the Bank had not been purchasers at £. 3. 18s. 6d. he believes the price of Gold would have fallen to the mint price; he answers, "I think it might after some time; but that is matter of opinion only."

In the year 1817 the Bank had a much larger amount of Cash and Bullion in their coffers, than they had been in possession of at any former period since their establishment. From the commencement of the year 1818 the stock has been progressively diminished. This diminution has taken place in consequence of engagements into which the Bank entered (in conformity with the power reserved to them by the original Restriction act) in the months of November 1816, and April and September of the following year, to pay in the first and second instance cash for all notes issued prior to the 1st January 1812 and 1st January 1816; and in the latter, to pay cash for their notes of every denomination dated prior to the 1st January 1817.

The total quantity of Gold coin issued from the Bank, in consequence of the engagements thus entered into, and the continuance of the fractional payments, under five pounds, appears by accounts before the House, to have amounted, between the 1st January 1817 and the 1st January 1819, to the sum of £. 1,396,256 in guineas and half guineas, and in sovereigns and half-sovereigns to £. 4,459,725. Your Committee have ascertained, that subsequently to the 1st January there has been a further demand on the Bank for Gold to the extent of about £. 700,000: The total sum, therefore, which has been issued by the Bank since the commencement of the year 1817, has been about £. 6,756,000: And no doubt can be entertained

trained that the Coin thus drawn from the Bank was demanded, not for the purposes of internal circulation, but in order to realize a profit either on its sale as Bullion in this Country, or on its exportation.

Your Committee are confirmed in this conclusion, by the documents before the House; from which it appears, that the sum issued from the 9th December 1816, (when the notes of the Bank became payable under the notice issued in the preceding month,) to July 1817, amounted only to £38,020. 10s. though the Bank had become liable on the 1st of May of the latter year to pay cash for all their notes of £. 1 and £. 2 value, dated prior to the 1st of January 1816.

In July 1817 the Foreign exchanges became unfavourable, and have continued so since that period; a profit has been realized on the exportation of Gold coin, and the Bank has been subject to a constant demand for cash in payment of their Notes.

The following extract from the evidence given by Mr. Alexander Baring shows the purposes to which a considerable portion of the Gold thus withdrawn from the coffers of the Bank has been applied:—"In France it appears, by the Report of the Minister of Finance, that there has been carried to the mint of France, in the sixteen months preceding the 31st December last, Gold to the amount of 125 millions of francs, (being equal to about 5 millions sterling;) and Silver to the amount of a little more than three millions of francs. Of that Gold, upwards of three-fourths was in Coin from this Country; and this operation has continued during the present year, though the amount of the importations of this year has not been reported."

page 11a.

Your Committee are satisfied that the Bank, in undertaking to pay their Notes in cash, under the circumstances above mentioned, acted from the best motives, and from a belief that the measure would tend to facilitate the complete resumption of payments in specie. Unfortunately it has had a contrary effect; the last of the three notices having been given at a period when the exchanges were unfavourable, when the price of Gold had risen from £. 3. 18s. 6d. to £. 4. per oz; and at a time when the Bank had not (according to the evidence given by Mr. Harman,) that control over their issues, which might have enabled them to counteract the effect of the unfavourable exchange, by a reduction of their paper currency.

There was, in fact, in the half year between July and December 1817, a considerable increase in the amount of notes issued by the Bank. The average amount outstanding, in the four half years preceding, had not exceeded £. 26,771,814. In this half year it was increased to £. 29,210,025, having been in the previous half year £. 27,339,768. It appears by the returns, that on the 5th July 1817, immediately preceding the payments of the dividends, the amount outstanding was £. 25,800,000; and on the 4th October, being a few days before the payment of the dividends of that quarter, the amount was, £. 28,900,000.

The issue of Sovereigns between July and December 1817, amounted in £. 1,240,422, so that had the sovereigns remained in circulation, there would have been an increase to the circulating medium issued by the Bank of England in the course of that half year, compared with the average amount outstanding in the four half years preceding, to the extent of £. 3,678,543.

Your Committee cannot avoid expressing an opinion, that whatever might be the policy, and however laudable the intentions of the Bank, in engaging to make partial issues of coin in payment of their notes, yet when the exchanges became unfavourable, and the price of gold rose above the mint price, the only mode by which they could have retained the coin in circulation would have been a contraction of their issues; and unless the Bank at that period possessed such a control over the amount of those issues, as would have enabled them to effect that object, Your Committee must consider it to have been inexpedient, in the then state of the Exchanges, to undertake an extensive though partial issue of Coin, which subjected the Bank to considerable loss, and a great drain of Treasure.

Under these impressions, and from a firm conviction, that the continued issue of Coin from the Bank, by diminishing the amount of their treasure, would have the

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effect of postponing the period at which the termination of the Restriction can take place, without producing on the other hand any advantage whatever to the Country, while the Exchanges and the price of Gold are in their present state, Your Committee were induced to recommend to the House, in their First Report, the immediate enactment of a law to suspend all payments in Gold coin by the Bank, until Your Committee might be enabled to present to the House, their view of the whole subject which has been referred to their consideration.

THE next important point to which the Committee will call the attention of the House, is the Amount of the Issues of the Bank of England, which are outstanding upon Government securities; or, in other words, the amount of the debt due by the Public to the Bank of England.

The necessity of the repayment of a large portion of that debt has been so earnestly insisted on by the Bank, and the nature and extent of the connexion between the Government and the Bank, involves so many important considerations, that Your Committee deem it incumbent upon them to enter into some detail with respect to the origin and gradual increase of the Advances made by the Bank on behalf of the Public, and the effect which they have, when carried to the amount at which they at present stand, of depriving the Bank of that control over their issues of notes, the possession of which is deemed by them an essential preliminary to the resumption of cash payments.

page 161.

In the Appendix to the Report will be found an Account of the amount of Advances made by the Bank of England to Government on Exchequer Bills and other securities, from the year 1793 to the latest period to which it can be made up.

The first item of this Account, entitled, An Advance out of sums loaned for the payment of Dividends, now amounting to the sum of £.1,098,820, ought not, in the opinion of Your Committee, to be considered as any portion of the debt due by the Government to the Bank. It arises from money originally lodged by Government at the Bank for payment of dividends to public creditors, which not having been claimed, has been withdrawn from the Bank, and applied to the public service, under the provisions of acts of the legislature passed in the years 1791, 1803, and 1816. It is not therefore an Advance from the funds of the Bank, but is the property of the public creditors, which has been made available for public purposes, until demanded by them.

It will be seen from the Account, that a great proportion of the Advances of the Bank are at present made under the two heads of "Exchequer Bills issued," and "Exchequer Bills purchased;" and before the Committee point out the distinction between those heads of the account, they will shortly advert to the laws which have been passed since the institution of the Bank for the regulation of their advances to Government.

On the original establishment of the Bank, by the 5th and 6th William and Mary, a penalty is imposed upon the Directors, if they purchase, on account of the corporation, any Crown Lands, or if they advance to His Majesty any sum of money, by way of loan or anticipation on any branch of the Public Revenue, other than on such funds only on which a credit of loan is or shall be granted by Parliament. Such credits have ever since been granted from time to time, and advances made upon them. The amount annually, from the year 1777 to the year 1793, extracted from the documents published in the Report of the Committee of Secrecy of 1793, will be found in the Appendix.

In the year 1793 an Act was passed, protecting the Governor and Company of the Bank of England from any penalty, on account of their having advanced, or advancing in future, any sum of money in payment of Bills of Exchange accepted by the Lords of the Treasury, and made payable at the Bank, but not charged on any branch of the Revenue. The motives for passing this Act are fully detailed in the evidence given by Mr. Bosanquet, then a Director of the Bank, to the Committee of Secrecy in the year 1797. He states, "that it had been the custom of the Bank, "time out of mind, to advance, for the amount of such Treasury Bills of exchange "as were directed for payment to the Bank, until the amount was about 20 or "£. 30,000, when the Treasury usually sent orders for the amount of such advance,

" to be set off from the respective accounts to which the Bills properly belonged.
 " In the American war, they had been permitted to run to a larger amount, but he
 " believed they never exceeded £. 150,000. Doubts occurred to him, when Gover-
 " nor, whether the penalties of the Act of William and Mary did not extend to this
 " transaction; and for the purpose of removing them, the Act of 1793 was in- 37 Geo. 3.
 " troduced and passed." It appears to have been originally proposed, that the 38 Geo. 3.
 Bank should be empowered to advance, to a limited amount of £. 50,000 or
 £. 100,000: but the Act passed without any limitation; its operation being of course
 confined to advances upon Treasury Bills of Exchange, on which species of security
 however, no advances appear to have been made since the Restriction.

By an Act which passed very shortly after the first Restriction Act, the Bank were 37 Geo. 3.
 prohibited from making any loan or advance on account of the public service, during 38 Geo. 3.
 the continuance of the Restriction; but at the commencement of the following
 session it was enacted, " that the Bank may make an advance on the credit of duties
 " on malt, and on the land tax imposed in that session, and any other advance
 " which may be authorized by any other Acts which may be passed during the con-
 tinuance of the Restriction."

In almost all the Acts authorizing the issue of Exchequer Bills passed sub-
 sequently, a special clause has been introduced, empowering the Bank to advance the
 whole or a portion of the amount specified in the Act. They never advance any sum
 beyond the amount to which they are limited in the several Acts, nor have the bills
 issued to them and the bills purchased by them, together, exceeded that amount.

The bills described as " Issued," are those which pass directly to the Bank from
 the Exchequer, under special contracts or agreements entered into; as, for instance,
 the bills issued upon the credit of annual duties, and upon the advance of £. 3,000,000
 as a loan to the Public, in consideration of the renewal of the charter.

The bills " Purchased" are those which are taken by the Bank (usually on an ap-
 plication from the Treasury,) when an issue of Exchequer Bills takes place, and when
 they cannot be sold to the Public at a premium. The Bank never credit any pre-
 mium, nor deduct any discount upon the Bills thus taken; nor do they resell such
 bills to the Public.

An account in the Appendix shows the total amount of Exchequer Bills authorized
 to be issued by Parliament in every year since the year 1793, and the amount which
 the Bank was authorized to take of each description of bills.

The amount of the Advances of the Bank to Government, (deducting the sum
 issued from the Unclaimed Dividends) on the 26 February and 2d August of each
 year since the year 1814, and of the Bank Notes issued during the corresponding
 half years, appears from the Accounts presented to Your Committee to have been
 as follows:

	BANK NOTES.		ADVANCES.
1814. January to June -	25,511,013. —	February 26, 1814 -	25,607,300.
" July to December	28,291,832. —	August 2, " -	34,937,800.
1815. January to June -	27,155,824. —	February 26, 1815 -	27,156,000.
" July to December -	26,618,210. —	August 2, " -	24,079,100.
1816. January to June -	26,468,283. —	February 26, 1816 -	18,988,300.
" July to December -	26,681,393. —	August 2, " -	26,042,600.
1817. January to June -	27,339,768. —	February 26, 1817 -	25,399,600.
" July to December -	29,210,633. —	August 2, " -	27,332,718.
1818. January to June -	27,954,538. —	February 26, 1818 -	27,002,000.
" July to December -	26,487,859. —	August 2, " -	27,060,900.
— — — — —	— — — — —	February 11, 1819 -	21,930,000.

From

From the year 1790 to the year 1797, when the Restriction Act passed, the amount of *Advances made by the Bank to Government*, and of the *Notes outstanding on the 25th February in each year*, was—

	BANK NOTES.		ADVANCES.
1790 - - -	10,217,360	- - -	7,008,908
1791 - - -	11,699,140	- - -	9,602,978
1792 - - -	11,349,810	- - -	9,839,338
1793 - - -	11,451,180	- - -	9,066,698
1794 - - -	10,963,380	- - -	8,786,514
1795 - - -	13,539,160	- - -	11,114,230
1796 - - -	11,030,110	- - -	11,718,730.

The amount, therefore, of *Advances to the Government* does not appear to have borne, for some time previously to the Restriction Act, a much less proportion to the total amount of *Notes outstanding*, than the *Advances* since 1814 have borne to the *Notes* issued in corresponding periods.

It will be seen, that a material reduction of the debt to the Bank took place between the month of August 1815 and the month of February 1816; it having been reduced in the latter period to the sum of £ 13,988,300, deducting the *advances* from *Unclaimed Dividends*.

This debt was again increased between February 1816 and the August following. In that interval, War Taxes to a very considerable amount were remitted; a large addition, authorized by several Acts of Parliament, was made to the *Unfunded Debt*, and to the *Advances* for which the Government were indebted to the Bank. The amount of these *Advances* was again reduced from £ 27,060,900 to £ 21,030,000 between the 2d August 1818, and the 11th February 1819.

Evidence of
Mr. Dutton,
p. 16.

It was proposed, in May 1818, to repay to the Bank a sum of from 8 to 9 millions, by gradual instalments of one million a month, from the month of May; the Bank having then considered that repayment sufficient (according to the evidence of the Governor) "to enable them to make the experiment of the resumption of cash payments."

To meet these charges, and the services of the year, and also to effect a further reduction of the *Unfunded Debt*, provision was made, by a loan of 3 millions in money, and a gradual funding of Exchequer Bills to the amount of about 27 millions, with power to the subscribers of making money payments, instead of bringing in Exchequer Bills; and it was understood that the Bank should retain one half of the moneys paid in, to the extent of the monthly payments above-mentioned.

It appears, however, that the sum paid in money on account of this loan fell short of the amount which was expected, and the re-payment to the Bank did not much exceed Five millions at the end of January 1819; one million of which the Bank do not consider as an effective re-payment, interest to that amount being due to the Bank upon the whole of their advances.

The amount of the advances of the Bank to Government was, on the 29th April last, £ 19,458,900; the sum of £ 1,098,800 being deducted from the account furnished by the Bank, as the amount of *Advances on sums issued for the payment of Dividends*.

It will be seen by reference to a communication made by the Court of Directors of the Bank to the Committee, as well as from the whole tenor of the Evidence of the Directors who were examined personally before them, that they consider the re-payment of a large proportion of those advances essentially necessary, preparatory to the resumption of cash payments. As the notes which are issued by the Bank upon the discount of mercantile bills revert to them at the expiration of the period which those bills have to run, and which never exceeds 65 days, it is clear that that portion of their issues can be extended or limited at their discretion; whilst over the notes which are issued in consequence of advances to Government, they have not practically the same control. To whatever extent these advances may be reduced, the Bank will gain a corresponding control over the amount of their circulating paper, and will be enabled to supply the diminution of notes thus created by an increase of their issues,

issues, either upon the discount of mercantile bills, or by the purchase of Bullion, or if necessary to make a reduction in the total amount of notes outstanding equal to the whole or any part of the re-payment.

The only mode, during a suspension of cash payments, by which the Bank can effect a reduction of their issues, supposing no part of the advances made by them to the Government to be repaid, is by limiting that accommodation to Trade, which they have long been in the habit of granting, by the discount of mercantile bills of undoubted solidity, arising out of real commercial transactions, and falling due within short and fixed periods.

Although the amount of the Advances made by the Bank on public securities is accurately stated in the account in the Appendix, and although the Committee strongly advise the repayment of the portion of them required by the Bank; yet they think it necessary to observe, that in determining the actual amount of the debt due to the Bank on account of these Advances, an allowance ought to be made, in favour of the Public, to the extent of the Balances of public money deposited at the Bank.

The situation of Parliament appears to have been first called to the extent and operation of these Balances, in the Report of the Committee on Public Expenditure, presented in the year 1807; from which it appears that the aggregate amount of the Public Money deposited at the Bank, was then calculated to be £.11,104,919; and a sum equal to 5 per cent interest, on the average Balances in question, was considered, by that Committee, not far from the amount of the profits derived by the Bank from this source.

The average amount of Public Balances held by the Bank appears to have been about eleven millions, from the year 1807 to the year 1816; and in consideration of the advantage resulting to the Bank from the possession of them, the sum of three millions was advanced by the Bank to Government, without interest, in 1808, which advance was continued, under the authority of Acts passed by the Legislature, to April 1818.—Since the year 1816, the Public Balances held by the Bank have been diminished, and their average amount in the year 1818 did not exceed the sum of seven millions. Their amount has been still further reduced by the operation of an Act which has passed in the present session, which makes the growing produce of the Consolidated Fund available, to a limited extent, for the public service; and in a certain degree within those limits lessens the benefit previously derived by the Bank from its accumulation from the first to the last day of each quarter.

It appears however to the Committee, that whatever may be, either now or hereafter, the amount of the Public Balances held by the Bank, that amount ought always to be kept in view, and allowance made for it when the advances from the Bank to the Government are under consideration; for it is clear, that if a final settlement of this account were to take place, the public money deposited with the Bank must be set off against the advances made by them to the Government upon Exchequer Bills, and other securities bearing interest.

In confirmation of this view of the subject, the Committee beg leave to refer to the evidence of Mr. Haldimand, now one of the Bank Directors. He states, that page 54
 "it is his opinion, that a sum of from 8 to 10 millions should be repaid to the Bank by Government, supposing the public balances to remain without any considerable decrease in amount." And being asked, "Does the aggregate amount of such balances operate as a diminution of the amount of the total advances made by the Bank to the Public?" he answers, "Yes it does."

For the reasons alleged, it appears to Your Committee, that although the amount of the advances of the Bank upon Government securities is accurately stated in the Appendix, yet in determining the effect which those advances have, of diminishing the control of the Bank over their issues, a deduction must be made corresponding in amount to the average sum held for any given period by the Bank as a deposit of public money, since that deposit, by lessening the amount of notes in circulation, restores to the Bank in proportion to its extent, the power of acceding to the applications made to them for the discount of mercantile bills.

Your Committee trust they shall not be considered to have entered into unnecessary details in having thus given a full exposition of the relations between the Government

and the Bank. It will be seen by reference to the Evidence that, the amount of their Advances to the Public is urged by the Bank as one of the main impediments to the early resumption of cash payments; and that in order to make preparations for their resumption, the Bank require a repayment to the extent of Ten millions.—The Committee was anxious therefore that the amount and operation of these advances, and the degree to which their effect is counteracted by the balances of public money held by the Bank, should be clearly understood; and this appeared to them the more necessary, as the Committee feel it their duty to close his branch of their inquiry, with an earnest recommendation to the House, to make immediate provision for the gradual repayment to the Bank of that portion of the debt, which the Bank require to be repaid, and to establish some permanent provisions, limiting and defining the authority of the Bank to make Advances to the Government, and to purchase Government securities; and bringing under the constant inspection of Parliament, the extent to which that authority may be in future exercised.

II.

YOUR Committee proceed to the next head of their Inquiry,—The Expediency of reverting to Cash Payments, at the period fixed by law for their resumption.

It will be seen, by a reference to the Papers in the Appendix, that the Bank, without departing from the principles upon which their issues on the discount of mercantile bills have long been regulated, have made a very considerable reduction in the amount of Notes outstanding, compared with their amount at the commencement of the year 1818.

From July to December 1817 the average amount was -	£. 29,310,035
From January to June 1818 - - - - -	27,054,518
From July to December d ^o - - - - -	26,487,859
The average amount for the three months to the end of } March 1819 - - - - - }	25,794,460

Should the Legislature determine on the restoration of cash payments on the 5th July next, the Directors of the Bank would naturally feel themselves compelled to postpone the consideration of all other interests to the security of the establishment over which they preside, and would make a further and very sudden reduction of that portion of their currency which they have immediately within their control.

pp. 41.—48.

Much important testimony will be found in the Minutes of Evidence, with respect to the effect to be apprehended from a very rapid diminution of the present amount of currency upon the trading and agricultural interests of the Empire, of which Evidence Your Committee deem it incumbent on them to extract a portion, sufficient to give the House a just idea of the opinions upon this subject prevailing amongst the persons whom they examined.

Mr. Alexander Baring being requested to state, in what manner an attempt to effect the restoration of cash payments within the period of a year, would operate upon the commerce and internal concerns of the Empire? replied, "The resumption of cash payments can only be effected by drawing bullion into the Country, by a reduction of the issues of the Bank. I cannot think that the Bank could pay in specie, with any expectation of continuing in that state, until there was a considerable portion of specie already in the circulation of the country. I apprehend, that by no process, even if the effects of any sudden reduction of issues were totally disregarded, could the sum necessary for the purpose be brought into the country, within the period mentioned. I am further of opinion, that the operation of reduction necessary for the purpose I have mentioned, must always be accompanied with some restraint and inconvenience to every branch of industry in the country; and that if it were forced, with a rapidity at all approaching to what would be required for the payment in the course of a twelvemonth, the injury would be intolerable; the reduction of paper would produce all those effects which arise from the reduction in the amount of money in any country; an effect which I think is well described in Mr. Hume's '*Essay on Money*.' The consequences of a contraction or expansion of the amount of money in a country, seem more felt during the progress of such contraction and expansion, than from any positive amount of money at any one given period. It is not, in my opinion, of great im-

portance,

"portance, what amount of money may exist in any country; but that the question, of, whether it is on the increase or decrease, is one of great importance to every branch of its industry."

Mr. Haldimand stated, "that he conceived it to be necessary that the Bank of England, in order to be enabled to resume the payment of its notes in specie, should reduce their present amount to the extent of three or four millions forcibly." He explained, "that by the term *forcibly*, he meant a reduction, not arising from three or four millions less being demanded, but from three or four millions being demanded and refused by the Bank to the Public and Government. He considered this forced reduction of the issues of the Bank of England to be necessary, in order to restore the rest of the paper in circulation to its antient value in Gold, and the exchanges to par." Being asked, if, "in order to produce the effect which he anticipated from a forcible reduction of the issues of the Bank, it would be necessary that the reduction should be sudden?" he replied, "In my opinion every possible disadvantage and inconvenience to the Public would arise from a sudden reduction; I should certainly recommend its being gradual."

Mr. Gladstone, a Member of the House, and a merchant principally engaged in trade with the East and West Indies, and occasionally in general trade, gave an opinion, "that the influence which the reduction of the Bank issues produces, is of a secondary nature; that in other times, the alteration of 2 or 3 millions in their issues would not have been at all felt; but that in the present state of the trade of the country, after a year of much overtrading, and a great accumulation of Foreign goods in the country, and of British goods for British account in Foreign markets, whatever tends to narrow the means of circulation, acts in a much greater degree now, than it would in other times."

After a full consideration of the Evidence, and of the several matters to which it is material to advert, in considering the Expediency of resuming payments in cash on the 5th July next, the amount of the Advances of the Bank to Government, the quantity of Bullion in their coffers, the probable effect of a rapid and considerable reduction of their issues, in whatever manner or with whatever view such reduction might take place, Your Committee are decidedly of opinion, that it is expedient to continue the Restriction beyond the 5th July next.

III.

YOUR Committee have now presented to the House, their view of the Two important points, which they proposed, (according to the Order of reference) to make the First subjects of their investigation,—The State of the Bank of England; and, The Expediency of resuming Cash Payments on the 5th July next. They now proceed to offer their Observations, with respect to the period at which it may be advisable to terminate the Restriction.

They will, in the first instance, advert to the supply of Gold which may be required, in order to meet the probable demands upon the Bank to the resumption of Payments in Specie.

It is difficult to form any accurate estimate of the amount of Gold in circulation previously to the year 1797; and conjectures with respect to that which will hereafter be required, must necessarily be more vague and unsatisfactory.

In the communication made to the Committee by the Court of Directors of the Bank, on the 25th March, it is observed, "that the amount of specie in circulation before the war was variously estimated, even by persons best qualified, from their situation, to obtain information. It seems, however, to have been agreed that it was about 30 millions; but whatever the amount, the whole has been exported."

Mr. Harman states in his evidence, "That the amount of Gold in the country, previous to the restriction, had been estimated by the late Lord Liverpool at 30 millions. Mr. Rose stated it higher; but perhaps if we were to take it at 20 millions, that might be about the amount which was in circulation previous to the Restriction Act." He adds, "that he thinks he is warranted in saying, that if 20 millions,

" millions, besides what remained in the Bank, was necessary for the scale of expenditure before the Restriction Act, it is taking it moderately to contend that as much would be necessary now."

Mr. Alexander Baring observed, " that it is difficult, indeed impossible, to form any accurate estimate; but his impression is, that with a new and perfect Coin, such as the Sovereign, which in his opinion would exclude the £1 and £2 notes, whether they are by law excluded or not, the amount of such a Gold coin would not be much less than from 40 to 45 millions. He does not mean that the whole amount would be required before cash payments could be resumed; but he thinks that they could not be safely undertaken with much less than half of that amount actually in the country, which its circulation would ultimately absorb; and that the half could not be accumulated, without great pressure upon the Country, in less than four or five years from the present time."

The data on which any reasoning with respect to the amount of metallic currency that will be required subsequently to the removal of the restriction, are so imperfect, that Your Committee abstain from offering any decisive opinion upon the subject; but they think that Mr. Baring has overrated that amount. With respect also to the disposition of the Public, to acquire Gold coin as currency in preference to Notes under five Pounds, a conclusion may be drawn, from the testimony of other witnesses, differing from that which Mr. Baring has formed. It has been observed in a former part of the Report, that when the Bank undertook to pay their notes in cash in the year 1817, no preference for coin was shown, until the foreign exchanges caused a demand for the purpose of exportation. Mr. Harman states in his evidence, " That, at that period, he was induced to flatter himself that the doors of the Bank would be opened—that, (if he might use the expression,) the Public would hardly know whether the Bank was open or shut—that it was in a moment of tranquillity—that people seemed indifferent about Gold—that instead of coming to the Bank for Gold, they brought their Gold to the Bank;—that remained, till the financial operations in France began, and as soon as they were talked of, the tide turned."

Mr. Stuckey, a gentleman very extensively connected with Banks in the county of Somerset, gave evidence to the following effect:—" In the latter end of the year 1816 and beginning of 1817, we had a circulation of coin for some months; it cost us at that period nearly one hundred pounds to transmit the surplus quantity of coin to London, of which four-fifths in value, at least, consisted of Gold. We could not get rid of it in the country, our customers preferring our notes. In the spring of 1817, I brought with me to town near 1,000 guineas from one of our banks; on taking them to our London banker, he requested, as a favour, I would not leave them there. They had lately sent so many to the Bank of England, that they did not like to trouble them any more; besides, the Bank only took those which were of full weight."

Notwithstanding this evidence, it must be admitted, that no satisfactory conclusion can be drawn from the experience of so short an interval as that which is referred to by Mr. Harman and Mr. Stuckey. Great uncertainty must prevail with respect to the amount of gold which may be required for the purposes of internal circulation; and the Bank must be prepared, not only for the possibility of a much larger demand for those purposes than will probably be made, but for the consequences of a drain upon their treasure induced either by such a temporary depression of the exchanges as shall afford a profit on the exportation of the precious metals, or by a disposition to hoard them, arising from sudden panic and temporary want of confidence in paper currency. It must be considered also, that the stock of Gold now in this country is very limited. The long continuance of the Restriction has caused the exportation of nearly the whole of that which circulated previously, and the natural inducement to transmit the coin from this Country, where it was not necessary, to other places where it could be more profitably employed, has been in a very trifling degree, counteracted by the legislative enactments which prohibit such an application of it.

It is possible, in the opinion of Your Committee, again to procure any quantity of Gold which is likely to be required for the purposes of currency; but a corresponding amount of the Capital of the country must be withdrawn from productive employment, for the purpose of acquiring and retaining the Gold in circulation; and causes are at present in operation, which are likely, by increasing the

value of the precious metals, to increase, in a proportionate degree, the difficulty of obtaining, within a limited period, an adequate supply for the use of this Country.

It appears that the Governments of other countries in Europe are now occupied in substituting a metallic, for a large portion of the paper currency, which the necessities of war compelled them to establish, and that the supply of Gold and Silver imported into Europe of late years, has been diminished in consequence of the disturbed state of the Spanish colonies.

These efforts on the part of other Countries to restore to par with the precious metals the value of their respective currencies, would, by making the exchanges more unfavourable to this Country, aggravate the evil of a long continued restriction, but they will certainly, by increasing the value of the precious metals, render increased exertion on our part necessary for procuring a sufficient supply.

The ability of the Bank however to resume and continue cash payments, depends less upon the actual amount of Treasore it may be possible to accumulate, than upon the state of the Foreign exchanges previously and subsequently to their resumption, and to the degree of certainty there may be, that the market price of Gold can be reduced to and made to conform with the mint price.

Unless such a reduction can be effected, and such a conformity established, it will be vain for the Bank to expend their Capital in the purchase of Bullion. No accumulation of Treasure, to whatever extent it may be carried, can render the Bank competent to satisfy the demands, which will inevitably be made for Gold, if the Bank are under an obligation to issue it at the rate of £. 3. 17s. 10½d. per ounce, and if the parties having a right to demand it, can continue to realise a profit of five or six per cent upon its exportation.

The documents in the Appendix afford ample information, with respect to the state of the Foreign exchanges, and the price of Gold measured in Bank notes, for several years past; and the various opinions of those who were deputed by Your Committee most competent to form a judgment with respect to the causes which have of late influenced the exchanges, and the price of Gold, will be ascertained by a reference to the Evidence.

Your Committee have already observed, that for a considerable part of the years 1816 and 1817, the Foreign exchanges were in favour of this Country, and that since the month of July of the latter year they have been below par. Some of the witnesses ascribed the unfavourable change, to the effect of the loans which had been made about that period by Foreign powers, to the remittance of British capital for the purpose of being invested in foreign securities and foreign commercial enterprise, and to the effect of a very large importation of Corn in the course of the last year; and some of these witnesses are of opinion that no measures could have been taken by the Bank to controul the effect of such extensive remittances.

Other witnesses admitting that the causes which have been adverted to had a tendency to depress the exchanges, conceive that a contraction of the issues of the Bank sufficient to counterbalance the operation of those causes, might, and infallibly would have taken place, had there been an obligation on the Bank to pay its notes in specie on demand.

However the Exchanges may have been thus affected, in the course of the last and the preceding year, Your Committee see no reason to apprehend that the causes above-mentioned, or any similar causes, can continue to affect them in such a degree as to preclude the Bank of England, by a constant reference to the exchanges and the price of Gold, and when necessary, by a cautious reduction of their paper currency, from gradually approximating its value to that of Gold, and ultimately re-establishing and maintaining it at par.

Your Committee have had submitted to them a calculation of the amount of British capital now invested in Foreign securities, and of the remittances which may probably be required for further payments on account of Foreign loans. The calculation is founded on the estimates of these commercial houses, extensively engaged in foreign loans, which estimates are stated to vary to an inconsiderable extent; and it is computed that the amount of British capital in Foreign public securities, is about Ten

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millions five hundred thousand Pounds; seven millions of which are supposed to be in French stock. This estimate was furnished to the Committee by Mr. Haldimand, who thinks there is a possibility of error, to the extent of one or two millions. He is of opinion, that little or nothing more will be sent from this Country on account of Foreign loans, now in course of payment.

Mr. Holland, a partner in the house of Messrs. Barling, does not consider the whole amount of British capital invested in Foreign, including American, funds, to be Ten millions; he speaks of capital permanently invested, and does not take into the account that which may have been employed in speculation in Foreign funds, a great part of which, he observed, had been drawn back with profit to this Country. He does not think that more than Three millions of British property are permanently invested in French stock; and is of opinion, that if it advances in price, a considerable portion of that will be withdrawn; and that there is no probability that any considerable sum will be remitted from this Country, in consequence of loans now contracted for abroad.

Your Committee are of opinion, that the future effect upon the exchanges of remittances on account of Foreign loans, will be very limited; that preparations for the resumption of cash payments will tend to diminish that effect; and that, subsequently to their resumption it will be subject to a constantly operating control. In corroboration of this opinion, the Committee refer to the manner in which the exchanges of France and Holland, (countries having a metallic currency) have been affected by similar remittances.

The Dutch capitalists have embarked to a very considerable extent in the Foreign loans that have recently been made, and are supposed to have taken nearly three-fourths of those made by Russia; but no sensible effect has been produced upon the exchanges or currency of Holland. France, notwithstanding the great extent of contributions to Foreign powers, which have been defrayed by that country, has maintained an ample metallic currency. It appears in the evidence of Mr. Holland and Mr. Irving, That the price of Gold has remained nearly stationary at Paris for the last four years; that in 1807, when there was in this country a variation in its price to the extent of 7 per cent, there was none in Paris; and that between the 5th October and the 22d December last, whilst the variation in the Exchanges between Paris and this country amounted to 4 per cent, the greatest variation between Paris and any country, which had a metallic currency, did not exceed one half per cent.

Mr. Rothschild being examined, as to the effect of the contributions which France has paid to foreign countries, upon her exchanges, replied, " Perhaps from one to one and a half per cent."

When Your Committee consider the extent and value of the Exportable produce of this Country, they can have no doubt of its ability to command such a portion of the precious metals as may be necessary for the purposes of internal currency, and to maintain them in circulation by the same means by which they are maintained in other countries, where, from an imperfect state of credit and confidence, and the absence of banking establishments, a much larger metallic currency is necessary than this country will require, in proportion to its foreign trade and internal commercial dealings.

Difficulties must be encountered during the preparations for the resumption of payments in specie; but those difficulties are, in the estimation of Your Committee, outweighed by the important and permanent benefit of restoring the standard, by which, previously to the year 1797, the value of commodities was measured, and which, though variable in a certain degree, is much less exposed to fluctuation than any other that can be devised.

Your Committee abstain from entering more at large into this important topic, from a consideration that the Legislature has on various occasions, expressly pronounced its opinion, on the policy of re-establishing the Metallic standard of Value; and that the duty which it has devolved on Your Committee, is no other than that of considering, at what period, and by what means, that great object can be best effected. They see nothing in the circumstances of this Country, or of Europe, which can render it expedient to postpone preparations for the resumption

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of cash payments, and by thus deferring, most probably to aggravate, the difficulties which may be inseparable from that measure. If, however, the Committee can suggest to the House any plan, by which in their opinion the pressure of such difficulties may be greatly relieved, and at the same time the most important of the advantages which would accompany a return to cash payments can be realized, they trust they shall not be considered to exceed the powers committed to them, by the suggestion of such a Plan, though it may involve a temporary departure from the laws which regulated our Currency previously to the Restriction.

A PLAN of this nature has been under the consideration of Your Committee; and before they explain its details, or assign the grounds on which they are disposed to recommend the several measures which form a part of it, they will present its general outline to the House.

They propose,—That, after the 1st May 1821, the Bank shall be liable to deliver a quantity of Gold, not less than 60 ounces, of standard fineness, to be first assayed and stamped at His Majesty's mint, at the established mint price of £. 3. 17s. 10½d. per oz. in exchange for such an amount of Notes presented to them as shall represent, at that rate, the value of the Gold demanded :

That this liability of the Bank to deliver Gold in exchange for their Notes, shall continue for not less than two nor more than three years, from the 1st May 1821; and that at the end of that period, Cash Payments shall be resumed :

That on a day, to be fixed by Parliament, not later than the 1st February 1820, the Bank shall be required to deliver Gold, of standard fineness, assayed and stamped as before mentioned, in exchange for their notes (an amount of not less than 60 ounces of Gold being demanded) at £. 4. 1s. per ounce, that being nearly the market price of standard Gold in bars on an average of the last three months.

That on or before the 1st October 1820, the Bank shall pay their Notes in Gold of standard fineness, at the rate of £. 3. 19s. 6d.; and on or before the 1st May 1821, as before mentioned, at the ancient standard rate of £. 3. 17s. 10½d.

Your Committee proceed to state the reasons which induce them to recommend the adoption of these suggestions.

BY requiring the Bank to pay, after the 1st May 1821, a given quantity of notes in Standard Gold, at the mint price, a security against fluctuation in the value of the paper currency will be provided, of the same nature with that which payments in specie afforded previously to the Restriction act. If the issues of the Bank shall at any time exceed the amount to which they must be limited, in order to maintain their value on a par with Gold, the Bank will be subjected to an immediate demand for Gold, and will naturally have recourse, as before the Restriction, to the contraction of the issues of their paper.

The chief recommendation of this Plan, in the opinion of the Committee, is, that it will enable the Bank to pay their notes in Gold at a much earlier period than they could pay them in the present Gold currency. There cannot, while this Plan is acted on, be any demand for Gold for the purposes of internal circulation; and whatever quantity it would be necessary to provide, with the view of replacing the small notes at present in circulation, may therefore be dispensed with. That portion of Capital, which must otherwise be applied to the purchase of an expensive and unproductive instrument of commerce, will be left available for the employment of productive labour; or at any rate, time will be afforded, during the operation of the Plan, for the gradual abstraction of that capital, and for the accumulation of such a stock of the precious metals, as may enable the Bank with perfect safety to supply a metallic currency. Although in the event of general panic, and a want of confidence in the stability of paper credit, the Bank would be exposed to the same demand to which they would be liable were cash payments resumed, yet it is probable that the drain, caused by sudden and local alarms, would be greatly diminished, if not altogether prevented.

In speaking of this Plan, Mr. Baring observes, " under such a system, the whole amount of Bullion that would be required, must be that amount which the Bank would be under the necessity of keeping for the purpose of balancing the variations

" tions that may from time to time occur in the amount of currency, which at different periods the state of the Country may require, and farther, any amount which the Public may be disposed to hoard. I should not think that the amount so required by the Bank could much exceed five or six Millions, because I should not think that the contraction and expansion of currency at different periods could go much beyond that amount. Hoarding would go certainly to a less extent than under a system of Coin, because there could be no small hoards, and persons would be less disposed to hoard larger sums when they had not the means of issuing them as currency, if they should be disposed to do so, otherwise than by selling or carrying them to the Bank. Under these circumstances, I should incline to think, that Ten Millions of Bullion would be abundant for every purpose; but it is difficult to speak with accuracy of an untried Plan."

With respect to the preservation of the Standard of Value, Mr. Baring states, " That he is quite confident that the standard of the Country, and of course the par value of the paper, would be preserved in much greater purity than under any system of Coin."

Mr. Holland, delivered a Paper to the Committee in reference, to the Plan of Bullion Payments; in which he thus expresses his opinion: " I can venture to assert, as a practical man of business, that there will be little if any difficulty in carrying it into effect; that it will not unnecessarily cramp Circulation; that it will not impede the ordinary measures, either of Government or the mercantile Community, but that, on the contrary, it will restore order and harmony, to the system and give to the Country what all parties who wish its welfare, desire—a safe and efficient Standard of Value; variable it is true in a certain degree, but less variable than any standard which any country has ever yet established."

Your Committee will now give their reasons for recommending the Arrangement, which they have suggested, for regulating the mode in which Gold shall be issued in exchange for Bank Notes, between February 1st 1820, and May 1st 1821.

The Committee consider it necessary to fix a definite period at which the Bank shall be under the obligation of issuing Gold at the mint price; and a Standard be thus established to which the value of the paper currency shall conform, and by which its issues shall be regulated. Parliament has, on more than one occasion since the peace, fixed a period for the return to payments in specie; and when it has consented to a farther suspension of them, has expressed an opinion, that their resumption was highly desirable; and has assigned, as the reason for continuing the Restriction, the expediency of enabling the Bank to make such preparations, as to their discretion and experience might appear most expedient, for enabling them to resume payments in cash, without public inconvenience.

Your Committee therefore are desirous, in recommending the further postponement of those payments, to devise some additional security, that preparations shall be made for their resumption; to prevent an impression on the public mind, that further suspensions will take place; and to induce a gradual accommodation of commercial transactions to a system of currency, which, having been long discontinued, could not be suddenly resumed, without restraint and embarrassment.

They conceive, that such security will be best provided, by requiring the Bank to revert, at an early period, to that principle on which, previously to the Restriction Act, their issues were regulated,—a reference to the price of Gold. They propose therefore, that time having been allowed for the repayment of a portion of the Advances to Government, the Bank shall undertake, at a given period, to deliver Gold in exchange for their Notes, in the manner already described.

Between the present time and the commencement of the year 1820, Your Committee cannot anticipate an operation of any of those causes, which affect the value of the precious metals, so extensive as to prevent the Bank from contracting the effect of them, by such a reduction of their issues, as may be made without producing public inconvenience.

If the price of Gold shall remain the same as it is at present, the demand from the Bank, which will have to deliver it at that price, will necessarily be very limited. If, in the interval any causes shall affect it, and produce a rise in its price, the Bank must

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in that case contract its Paper, either positively, as compared with its present amount, or relatively, to any increased demand which there may be for it; and thus, by increasing its value as currency, proportionately diminish the inducement to demand Gold.

It may be objected, that the adoption of this suggestion appears to recognize a departure from the ancient Standard of value; but it recognizes it no otherwise than as it at present practically exists; it recognizes it for a very limited period, and with no other view, than to provide for the gradual return to that Standard, the deviation from which it acknowledges.

The Committee trust, that they have sufficiently explained the grounds on which they recommend, that, with a view to the establishment of a Metallic Standard of Value at the earliest period, the Bank should be required to deliver standard Gold in exchange for their Notes.

They do not express any preference for the system of Bullion payments over that of payments in Specie abstractedly; nor are they prepared to recommend them as a permanent substitute; but they consider them the best means of facilitating and ensuring the resumption of payments in specie with the least public inconvenience. They are of opinion, that, when once the ancient standard of value in this Country has been re-established, the great impediments to a return to our former system will have been overcome; and it will be in the power of the Bank, or of individuals, by taking advantage of a favourable state of exchange, to increase the supply of the precious metals in this Country, to any extent to which they are likely to be required.

Your Committee are aware that it may be objected to the plan of bullion payments, which they have recommended. First, That by necessarily continuing the notes below five pounds in circulation, it continues the present inducements to the crime of Forgery; and, secondly, That by requiring the presentation of a large amount of notes in demand for Gold, it gives to the possessor of notes to that amount, an accommodation which the holder of a smaller quantity will not possess.

On the first of these objections, Your Committee observe, that it is scarcely possible to calculate on a resumption of specie payments, accompanied with the total exclusion of the small notes, at a period much, if at all earlier than that at which it may take place, if the recommendation of the Committee be adopted. When the Legislature has, at former periods, contemplated the removal of the Restriction, the necessity of continuing the circulation of the small notes for some time subsequently, has been foreseen, and is at present provided for by law. It is true, that after the resumption of cash payments, the amount of small Bank notes in circulation would probably be diminished; but there seems an reason for concluding that the temptation to Forgery, which must depend on considerations of risk and profit, would be diminished in proportion to the decrease of those notes, provided they were not altogether excluded. The force of this objection will also be lessened proportionately to the degree of success which may attend the attempts, that are at present making, to devise means of rendering the imitation of Bank notes more difficult. Your Committee have been informed, that the Plan recommended by the Commissioners appointed for inquiring into the mode of preventing the Forgery of Bank Notes, may be expected to be in full operation in about three months; and they have received, from two scientific members of that Commission, (Sir Joseph Banks and Dr. Wollaston) the satisfactory assurance, that their confidence in the increased security which the New form of note will afford, as well by creating fresh obstacles to a successful imitation, as by giving a more obvious facility to the Public in detecting any attempt to give currency to Forged Notes, has been confirmed, by the progress of their inquiry and experiments since the date of their Report communicated to Parliament.

With respect to the second objection to Bullion payments, Your Committee remark, that the object of the Plan which they recommend is, by securing a control over the quantity of the circulating medium, to regulate the value of the whole, and to maintain Paper on a par with Gold. While this object is effected, the holder of notes, in whatever amount, has a security for their value, which, without this plan, he would not possess during the interval which must precede the resumption of cash payments.

Should the House determine to act upon the recommendation of the Committee, it will be expedient to continue the Act which passed in the present Session, restricting the further issue of Gold coin from the Bank. They propose no interference with the laws which regulate the mint, conceiving it desirable to retain, as a check upon any undue contraction of the issues of the Bank, the power which individuals at present possess of receiving Coin from the mint in exchange for Ballion, without loss or deduction, at the rate of £3. 17s. 10½d. per ounce.

They recommend, not as an appendage to the Plan which they have suggested, but as a politic measure under any system of currency, the total repeal of the laws which prohibit the melting or exportation of the Coin of the Realm. Your Committee conceive it to have been clearly demonstrated, by long experience, that they are wholly ineffectual for the object for which they were designed; that they offer temptations to perjury and fraud, and give those who violate the law, an unfair advantage over those who respect it.

Your Committee have received an intimation from the Directors of the Bank of Ireland, that they shall be prepared to resume Cash payments six months after their resumption by the Bank of England. In making this communication, the Directors contemplated a return to payments in specie; but the Committee have the satisfaction of stating to the House, on the authority of the Governor of the Bank of Ireland, whom they have had an opportunity of personally examining, that there is reason to believe, that no difficulty would exist, on the part of the Bank of Ireland, in carrying into effect, any regulations of the same nature with those which may be adopted with respect to the Bank of England.

Your Committee would here close their Report, if they did not think it necessary, shortly to advert to the circulation of Country Banks. The notes of all those establishments are exchangeable for the notes of the Bank of England. As a part of the currency, therefore, they must be affected by any fluctuation in value to which bank of England notes are now liable; and, consequently, will be alike secured from such fluctuation, by any arrangement which will effectually place and maintain the latter upon a par with a metallic standard of value. Although, from this view of the subject, Your Committee are led to the conclusion, that there can be nothing in the nature of the circulation of country banks, which can form an obstacle to the gradual resumption of cash payments upon the Plan which Your Committee have suggested, they have made it their endeavour to ascertain the probable amount of that circulation, at different periods; though they have to regret that they have not been able to obtain as precise and full information as might be desired.

There are not sufficient data from which to ascertain the exact amount of Country Bank Notes at any one time in circulation. Your Committee called for accounts from the Stamp Office, of the number of promissory notes stamped in each successive quarter, from the year 1810; and as these accounts show the number of notes stamped in each of the classes into which they are divided, according to their several denominations, if the nominal value of each is assumed, for the sake of calculation, to be the highest which such note could bear according to the stamp affixed, the total amount stamped in each year would be as follows:

1814	-	-	-	-	-	£. 10,255,841.
1815	-	-	-	-	-	8,304,968.
1816	-	-	-	-	-	7,839,934.
1817	-	-	-	-	-	9,075,958.
1818	-	-	-	-	-	12,316,988.

If these notes on an average circulate for three years, the highest aggregate amount to which they can have reached is £. 39,232,870.

Your Committee are led to conclude, from the information of Mr. Lloyd, that the whole amount of notes stamped, which still remain in such a state as to be circulated, has never been at once in circulation. He says, "a banker may have 50,000 notes lying by him; his having paid the duty, and having the notes ready, by no means proves that they are in circulation." Sometimes there may be a very large amount locked up by him, at other times they may be almost all "in circulation." In time of alarm, he takes care to have them as much at home as possible;

"possible; in time of prosperity and general confidence, he has no hesitation in issuing them on satisfactory security."

Mr. Lloyd expressed an opinion, that the issue of paper by the Country Banks might be from 40 to 50 millions; but Your Committee are rather led to infer, from the general tenor of the information before them, that the amount of this branch of the paper circulation, throughout Great Britain, has never exceeded from 20 to 25 millions.

Whatever may have been the amount, it appears undoubtedly to have been liable to great fluctuations, as may indeed be inferred from the account of the stamps before alluded to, but with more certainty from accounts furnished by the three chartered banks of Scotland, representing the proportions which the quarterly averages bear to each other, of the respective circulation of each bank, at three corresponding periods; the scales by which the circulation of these banks is thus shown, establish the degree of the proportionate variations in each respectively; but it is to be observed that those scales, being constructed upon different data, afford no means of comparing with one another the actual amount of their respective issues.

	Last Quarter, 1813.		Third Quarter, 1816.		Last Quarter, 1817.
British Linen Company - - - -	1,400	—	910	—	1,585
Bank of Scotland - - - -	4,773	—	6,706	—	4,179
Royal Bank - - - -	730	—	167	—	1,123

As a very large part of the Currency of Scotland is furnished by those banks, it must be inferred from the preceding scales, that whatever was the amount at the close of 1813, not less than one-third had been withdrawn from circulation in 1816, since which period an equal amount has been re-issued.

A fluctuation, corresponding with this in point of time, and at least, equal in degree, appears to have taken place in the paper issued by the Country banks in England. The number of these establishments licensed in 1814 - - - was 940,
in 1817 - - - was 752.

Mr. Lloyd stated, that the circulation of the Country banks was at its highest in 1813 and 1814, but was considerably reduced in 1816, and the beginning of 1817; and being asked, as to the amount outstanding at the latter period, when compared with the former, he answered, "I can hardly say; I should think it was reduced " nearly one-half."

Your Committee were furnished, by Mr. Stuckey, with the following scale of the circulation of a considerable Country bank, for the last four years: Evidence
p. 244.

March - - -	1816	-	-	-	10
— - -	1817	-	-	-	12
— - -	1818	-	-	-	16
— - -	1819	-	-	-	17 ½

and further information on the same subject will be found in the Evidence of Mr. John Smith, a Member of the House, Mr. Samuel Gurney, and Mr. Gilchrist.

Whatever may have been the diminution in the amount of the circulation of Country banks in 1816 and 1817, it was not in any degree caused by a diminution of the issues of the Bank of England. The circulation of Country paper is liable to be affected by want of confidence, generally brought on by extensive failures in some of those establishments, and the result of which is, that other Country banks, however solvent, participate more or less in the general discredit, and are obliged to restrict their issues, from a regard to their own security. In the opinion of Mr. Tooke, "A like effect is sometimes produced, and in a much greater degree, from the dis-
" credit of their customers, to whom they are in the habit of advancing money;
" most of their customers being holders of articles which are liable to be affected
" by a general depression of price."

Evidence
p. 245.

Although there may be reason to infer from the opinion of the witnesses most conversant with the management of Country banks, and to whose evidence Your Committee beg leave to refer, that a reduction in the amount of the notes issued
by

by the Bank of England would speedily and necessarily be followed by a proportionate reduction of the Country bank paper; still it must be obvious, that, independently of that cause, the latter is liable to a sudden and highly inconvenient contraction, under such circumstances of distrust and difficulty as occurred in 1816. The effects of this contraction, unless obviated by a corresponding increase in the issues of the Bank of England, the credit of which is fortunately unassailable by the influence of similar circumstances, must have a tendency, by diminishing the amount of the paper currency, to raise the value of the whole.

This, in the opinion of Your Committee, was one of the effects produced by the rigid contraction of our currency in 1816 and 1817; and to it may be ascribed, in part, the fall in the price of Gold and the favourable state of the Foreign exchanges, during that interval.

Such contraction is an evil, to which the system of Country banks, resting upon individual credit, may be occasionally liable; but Your Committee are inclined to hope, that it will not be likely either to prevail to the same extent, or to endure for so long a period, when the fluctuations, to which an inconvertible paper currency is exposed, shall be checked, by the operation of the Plan which they recommend for the gradual resumption of Cash Payments.

Whether it may be practicable further to provide against inconvenience to the Public and the loss to Individuals, which arise from the occasional insolvency of Country banks, and to make such provision, without an interference with the rights of property, and the transactions of the community founded on commercial credit, are questions of great difficulty; respecting which Your Committee could not, without further evidence and considerable delay, have enabled themselves to submit an opinion to the House.

Your Committee have forbore from entering into any reasoning upon the effect produced upon the value of our currency, by variations in the numerical amount of the Notes issued by the Bank of England. So many circumstances contribute to affect that value; such, for instance, as the varying state of commercial credit and confidence—the fluctuations in the amount of country bank paper—the different degrees of rapidity with which the same amount of currency circulates at different periods,—that Your Committee are of opinion, that no satisfactory conclusions can be drawn from a mere reference to the numerical amount of the issues of the Bank of England, outstanding at any given time.

6 May 1819.

MINUTES OF EVIDENCE

TAKEN BEFORE

THE SECRET COMMITTEE

ON

The Expediency of The Bank resuming
Cash Payments.

P

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George Dorrice, Esquire - - - - - p. 26

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Charles Pelt, Esquire - - - - - 34

Martis, 16^e die Februarij :

Jeremiah Harman, Esquire - - - - - 40

Mercurij, 17^e die Februarij :

William Haldimand, Esquire - - - - - 54

Veneris, 19^e die Februarij :

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MINUTES OF EVIDENCE

Taken before The SECRET COMMITTEE appointed to consider of the State of the Bank of England, with reference to the Expediency of the Resumption of Cash Payments at the period fixed by law, and into such other matters as are connected therewith.

Jeudi, 11^e die Februarij, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

GEORGE DORRIEN, ESQUIRE,

Called in; and Examined.

ARE you Governor of the Bank?—I am.

Do you consider that it would be practicable and safe for the bank of England to resume cash payments on the 5th July next?—Under the present circumstances of the Country I conceive it would not be safe.

Do you state that, as your own individual opinion, or the opinion of the directors of the bank of England?—The question has never been directly considered by the directors of the bank; but there was an opinion given by the committee of treasury, which was confirmed by the court; and that I will produce if you please.

On what occasion was that opinion you are about to read given?—This is a minute from the committee of treasury, which I think relates to the question:

[It was delivered in, and read as follows:]

"At a Committee of Treasury, 20 January 1819: The governor having reported the substance of the conversation at a conference at Fife-house, on the 15th instant, which was attended by several members of the committee as well as the chairs of the bank;

"Resolved, This committee having deliberately weighed the subject, and considered the improbability that the foreign exchanges will be turned and permanently settled in favour of Great Britain, by March 1820, the time to which it is proposed to limit the duration on the restriction of cash payments, think it a matter of the highest importance that the public shall not be deluded with an expectation, which is not likely to be realized.

"That it appears preferable to submit to the consequences of a parliamentary inquiry, rather than pass a bill for a time inadequate to circumstances in which the country may be placed."

That was read at Fife-house on Friday the 22d, and a copy of it left with Lord Liverpool and Mr. Vassittart. On the Monday following, we were desired to attend in Downing-street; when we were told that a committee of inquiry would be appointed in consequence of that; on the following day, a special court of directors was called at the bank, and this is the resolution that was come to;

[It was delivered in, and read as follows:]

"At a Court of Directors at the Bank, on Tuesday the 30th January 1819:

The governor having laid before the court the particulars of the conference which the chairs and the committee of the treasury had held with His Majesty's government, relative to the renewal of the bill for the restriction on cash payments;

"Resolved, That the court entirely approve the conduct of the committee of treasury, upon this occasion."

George Dorrien,
Esq.

(11 February.)

George Darwin,
Esq.
(11 February.)

Have the goodness to state the grounds, generally, on which you consider it would be either inexpedient or unsafe for the bank to resume its payments on the 5th of July next?—The principal ground I should state, would be the large advances to government, and the delay in the repayment; there may be other ostensible causes, but I think that is sufficient.

Do you conceive that if the advances made to government by the bank were repaid, the bank would be enabled to resume payments in cash on the 5th of July next?—No, the time is too short.

Can you state any probable period, at which, if the advances made by the bank to government were repaid, the bank could resume cash payments; for instance, could it on the 1st of March 1890?—It is very difficult to say when the bank could with propriety resume its cash payments, it must always be judged of by experience; if a large portion of those advances were to be paid off, the directors would then have it in their power to judge of how soon they could resume cash payments, from the effects that would result from those repayments.

What is the amount of the advances to which you allude, as creating the impediment, and what is the nature of those advances?—The advances to government are of two kinds, the one are direct advances made under Act of Parliament, and by agreement; the others are (if they can be so called) bills that are purchased in the usual way of business; by the term advances, I certainly should include the whole of the government securities the bank holds; but that account has never been rendered to Parliament.

What amount of repayment of those advances do you conceive might enable the bank to make the experiment of the resumption of cash payments, with a probable prospect of success?—When the subject has been under consideration between His Majesty's ministers and the bank, we have considered nine millions as about the sum which would enable us to make the experiment, of how far such repayment would turn the exchanges in favour of this country, and maintain them in that course.

Has there been any recent repayment by the government to the bank of the advances to which you allude?—There has been a repayment of £ 5,146,400; then I must beg to add, that there has been an accumulation of interest to the extent of one million.

When you state that the repayment of nine millions would enable you to make the experiment, do you mean nine millions in addition to the five millions so repaid, or do you include the five millions?—I include the five millions in the nine millions, excluding the interest.

So that if four million, together with the interest, were now repaid to the bank, in that event the bank would be enabled to make the experiment of the resumption of cash payments?—I conceive it would; but at the same time the directors would not commit themselves to open upon the repayment to the extent of nine millions; but if it was found necessary, that they might call upon government to pay a larger sum.

Judging from the circumstances that, at present, present themselves, you conceive that the completion of the repayment of nine millions would be sufficient to enable you to make the experiment of the resumption of cash payments?—I conceive it would.

But that other circumstances might occur, that might make a further repayment necessary?—I mean to say, that if the nine millions were repaid, and it had not the effect we expect from it, that we should then call upon government to pay a larger sum.

Have the goodness to explain, in detail, what that effect would be?—To turn the exchanges in favour of this country, and to maintain them in that situation.

In the event of the repayment of those advances, what would be the proceedings of the bank, with a view to enable it to resume cash payments?—The effect of the repayment of the advances by government would be, an increased application for discount. In the case of the government advances, the Bank has no control over its issue; but when the money is lent upon discount, the directors are enabled to check any improper speculations, or any circumstances that they think injurious to the country. This will tend to bring the issues upon a level with the circulation that is required for the commerce of the country; and there is reason to suppose, that the industry and enterprise of merchants, would turn the exchanges in favour of Great Britain. This would occasion an importation of gold; and the gold would find a ready market at the bank; therefore, the bank notes, to that extent, would be the representatives of gold, instead of the representatives of exchequer bills.

Do you conceive the effect of the repayment would be, the reduction of the issues of the bank?—The bank is always ready to lend on commercial paper, that is legitimate in its origin, and is not carried to too great an extent by the parties who apply for discount. The issue of the bank would be regulated according to the absolute wants of the country: but that must be learnt by experience.

George Durkin,
Esq.
(on February 3)

The means of affording accommodation by discount to merchants, would clearly be increased by the repayment of the advances to the bank?—Certainly; that is the general effect.

Do you conceive, that upon the repayment, the bank would continue to be guided, in affording accommodation, by the same principles by which it is now guided?—I understand it would.

That is to say, that it would continue to discount bills, which were unexceptionable in point of security?—The bank does not always look to the security, but they look to the origin of the bills, and they look to the extent of the account with the person who applies.

But if there was nothing objectionable in the origin of the bill, and no difficulty opposed by the account of the person who wished to have that bill discounted; in that case, the bank, with its increased means of discount, would still continue to afford accommodation, on the same principles on which it now affords it—I have no doubt, the bank would continue to discount, provided there was no objection of the nature stated.

Do you conceive the effect of the repayment would be, the reduction of the issues of the bank?—In all probability it would; but still, if the applications for discount were such as the bank answered, they would afford it.

Supposing the amount of circulating medium to continue the same, what would be the effect upon the foreign exchanges?—I do not apprehend, if the amount of the circulating medium continued the same, that it would have any effect at all upon the foreign exchanges.

Then if the repayment did not lead to a reduction of the issues of the bank, it would be inoperative with respect to the foreign exchanges.—Yes.

Do you consider a favourable state of the foreign exchanges as essential to the safe opening of the bank?—Yes, I do.

Is it not the constant practice to pay the interest on exchequer bills when the principal is paid off, or the bill exchanged for a new one?—I believe that is the practice.

Has not the interest been regularly paid to the bank upon the exchequer bills belonging to them, which have been paid off or exchanged?—To the best of my knowledge it has.

Do not you think that the issues on account of advances to government, affording an opportunity of private discount, render the discount at the bank less necessary?—If the bank advances largely upon exchequer bills, the merchants who require discount will apply to the private bankers.

How, that in fact been the case?—I believe it has.

Has the bank ever discounted under five per cent, of late years?—Not for many years; not within my remembrance.

Has there been discount to be obtained from private discounters at a lower rate of interest?—It is generally so said; I do not know it of my own knowledge.

You have stated, that supposing the amount of issues to remain the same, after the repayment of the whole of the nine millions by government, the exchange would not be affected by it, do you conceive there is any difference in the effect upon the exchange created by the issues of the bank of England, whether such issues are made upon advances to government or in the discount of commercial bills?—I suppose, if there is to be a certain amount of circulating medium, it is not material how that arises.

Supposing the demand for discount of commercial bills, after the repayment of the whole of the nine millions, to be so increased as to induce the bank, acting upon the principles which now regulate its commercial discount, to keep the issues to the same amount as at present, would not the repayment of the advance of nine millions be altogether inoperative to turn the exchanges in favour of this country?—I believe I said before, that if there is to be a certain sum of circulating medium, it would have an effect upon the exchanges, whatever it might arise from; but if a large part of the issues of the bank are to be upon discounts we know that that is a natural demand; if it is upon government security, it may not be the natural demand of the public, but may be created for the convenience of government.

George Darwin,
Esq.
(11 February.)

Supposing the natural demand to maintain the issues at the same amount, are the Committee to understand, that the exchanges would remain unaffected by the repayment from government?—Then I presume the exchanges would remain as they now are.

At the close of the year 1815, or the beginning of the year 1816, there was a very considerable repayment made to the bank, was there not?—I have no memorandum by me to refer to, enabling me to answer that.

Is the opinion you have given, respecting the probable operation of the reduction of the issues of the bank, to turn the exchanges in favour of this country, the opinion which you individually entertain, or one which has governed the bank in the regulation of their issues?—I must consider it as my own opinion.

Have the bank collectively reverted to that opinion in the regulation of their issues?—The bank has had very little opportunity of regulating its issues, in consequence of large advances to government.

Supposing the advances to government to be repaid, is the bank, as a body, agreed in the opinion which you have given as your own?—It has never been made a direct question, and I do not know the opinion of the court upon that subject.

It being stated, in the minute which you have delivered in, that the turning of the exchanges in favour of this country, is a necessary preliminary to the opening of the bank, has not the consideration, of how that effect might be produced, been matter of deliberation at the bank?—I fancy I can refer to a paper, which was read at Five House on the 15th of January, in which there appears to be an opinion given by the committee of treasury, and is one of those papers which was laid before the court, and approved by the court: what I am going to read was communicated to the committee of treasury by memory.

[The Paper was delivered in; and read, as follows.]

15 Jan. 1819.

" The governor stated the conversation which had passed at Five House on Tuesday last; and that a question to the following effect had been put to the Chair:

" Whether, in case the advances of the bank to government should be reduced to twenty millions in the month of April, it would enable the bank to control the foreign exchanges, and give the directors sufficient confidence to meet the opening?"

" The committee of treasury beg to give it as the opinion of its members, that if the advances of the bank to government are only reduced in the month of April to the degree proposed during the last session of Parliament, the interval between that time and the 5th of July will be too short to effect so essential a reduction in the issue of bank notes, as appears to them necessary to try the experiment of, whether the foreign exchanges can by that measure be turned in favour of Great Britain, and be afterwards maintained in that course, more especially at a time when the comparatively high rate of interest given abroad, induces persons to invest their capital in foreign countries.

" It has ever been the desire of the directors to keep the issue of bank notes at as low an amount as they could find consistent with a due attention to the great interests of the country, which they deem to be the peculiar object of their care; and although a reduction from their present amount may be thought expedient, with a view to the resumption of cash payments, yet such a measure cannot be attained by any other than gradual means, without great injury to the commercial part of the community, whose co-operation is most desirable in promoting a favourable turn in the exchanges.

" Whilst the standard of the gold coin is continued as now established, the experience of the last two years, in which a large issue of specie has been made, as well as the experience of a course of former years, evinces that the law cannot restrain its exportation, under circumstances similar to those in which this country is now placed, and its relation to the rest of Europe. It is not a sudden, but a steady and settled favourable rate of exchange which can alone give hopes to the maintaining a metallic currency, amidst the extended circulation required by the financial and commercial interests of Great Britain.

This was read to the court of directors, and approved by them?—Yes, having been communicated to government.

When did you first hear it was in the consideration of government to continue the restriction to a longer period than had been proposed for the resumption of cash payments?—I have no paper by me enabling me to say; but it probably was the Tuesday preceding the 15th of January.

That was the first intimation you think you had of any intention on the part of government to continue the restriction?—I do not recollect that it was ever mentioned before.

Had you, or the court of directors, previously advised His Majesty's ministers, that it would be expedient so to continue the restriction?—Upon that subject I have nothing further to say, than has been already delivered in, as the opinion of the committee of treasury.

Previous to the date of the paper delivered in, had you any communication with His Majesty's ministers, on the part of the court of directors of the bank of England, suggesting to them the propriety or expediency of extending the period beyond that directed by law?—As far as my memory serves me, I do not think there was any communication; but I have no dates by me, enabling me to answer that question.

From the month of May 1818, when the present act took place, have the court of directors acted upon the supposition, that they were to be called upon for cash payments at the time fixed by law?—In answer to that, I would beg leave to read a Memorandum, dated the 23d of May. Of course, there have been frequent conversations upon the subject of the advances and repayments; and, on the 23d of May, we came to this conclusion.

[It was delivered in; and read, as follows:]

" Memorandum, enclosed in a Letter from Lord Liverpool and Mr. Vansittart, dated Fife House, 23d May 1818.

" The sum necessary for the supply of the year 1818, beyond the ordinary revenues of the year, may be estimated at about fourteen millions; and it has been agreed, that a sum of from eight to nine millions, shall be repaid to the bank, on account of their advances to government; of which repayment, the loan of six millions, advanced in 1816, shall form a part.

" To meet these charges, and to effect a further reduction of the unfunded debt, provision has been made, by a loan of three millions in money, and a gradual funding of exchequer bills, to the amount of about twenty-seven millions, with a power to the subscribers of making money payments, instead of bringing in exchequer bills. The nature of this arrangement, makes it impossible to foresee exactly at what periods, and in what proportions it may be practicable to discharge the bank advances; but it is thought desirable to pursue the following plan, so far as circumstances may allow:

- " 1st.—That the repayments should be gradual, and, as nearly as may be, at the rate of about one million per month, beginning with the month of May.
- " 2dly.—That if, in the early part of a quarter, more than one million per month shall have been paid, the payments might be reduced, if thought desirable, in the latter months of the quarters.
- " 3dly.—That for the purpose of effecting such repayments, the Bank might retain one-half of the monies paid in, on account as well of the loan, as of the exchequer bill payments, to the extent of monthly payments above mentioned."

—This arrangement would have put the bank in possession of nine millions, in the month of December.

Have the propositions stated in that memorandum, now produced, been carried into effect, to the satisfaction of the bank of England?—Not to the satisfaction of the bank of England; because we have received only £. 5,146,400, as before stated.

What reasons were assigned for the non-compliance with the terms of that memorandum?—I can only impute it, to its not being convenient to government to repay us.

On the bank being informed that it was not convenient?—That was not communicated to us.

On any one of the monthly instalments, stated in that memorandum, to be provided for, for the service of the year, not having been made good, did the bank make

George Darnley,
Esq.
(11 February.)

George Berrins,
Esq.

(at February.)

any, and what remonstrances to the government?—On the 22d July 1813, the following letter was read from the chancellor of the exchequer :

[It was delivered in; and read, as follows:]

" Gentlemen,

" Downing-street, 21st July 1813,

" I beg leave to represent to you, that it will be a great accommodation to the public service, if your court will consent to exchange the exchequer bills in your possession, dated in May 1817 (beyond the amount of one million, of which part has already been paid off, and the remainder will be paid as soon as the convenience of the public will admit,) for other bills to the amount, to be dated on the 4th of August next, and to bear interest at the rate of 3*d.* per cent per *annum*? I beg therefore to request, you will have the goodness to move your court to consent thereto; and

" I have the honour to remain,

" Gentlemen, &c. &c. &c.

" To the Governor and Deputy Governor
of the Bank of England."

" N. Parnhill.

'—Upon this, it was " Resolved, That, under the circumstances of the deficiency of £. 383,000 of the sum of one million, engaged to be paid for the month of May, the disappointment in not receiving one million for the month of June, and no provision being yet made for the bills of the present month, now nearly expiring; the committee are of opinion, that the court of directors are not likely to comply with the request contained in the said letter; nevertheless, they are ready to submit it to the court, if the chancellor of the exchequer desires it; that the governor and deputy governor be requested to wait upon the chancellor of the exchequer with the above resolution."—" On the 23d of July, the governor acquainted the committee, that himself and the deputy governor had waited upon the chancellor of the exchequer, and had communicated to him the resolution of the committee, on his letter of the 21st instant; in consequence of which the chancellor of the exchequer had desired that his letter might not be laid before the court."

Did any further proceedings take place, on the part of the bank, on the subject of the non-compliance with the promises contained in the memorandum which has been read?—On the 5th August 1813, the governor laid before the committee, a proposition, delivered to himself and the deputy governor this morning, by the chancellor of the exchequer, as follows :

" It is proposed to complete the payment of £. 1,000,000 on the May bills held by the bank, and to pay £. 200,000 on the June bills, and to advertise the June bills, the bank consenting to exchange the remainder of their May bills."

" Resolved: The committee having taken into consideration the proposition of the chancellor of the exchequer, are of opinion, that, consistently with the sentiments expressed on the 8th and 14th May, and on the 21st July, they cannot recommend the court to exchange the bills dated in May, whilst the instalments for June and July are unpaid;—and that the governor be desired to acquaint the chancellor of the exchequer with the above resolution."

Did the bank ever state to the government, that if provisions were not made according to the terms of the memorandum, it would be impossible for them to resume their cash payments at the time fixed by law?—I am not aware that they made any such remonstrance.

Then, in the month of August last, were not you satisfied that there was no prospect of the bank being able, with safety to itself, to resume its cash payments at the time fixed by law?—I thought, at that time, there was very little prospect that we should resume the cash payments at the time fixed by law.

Subsequently to, the month of August, have the bank purchased any exchequer bills?—I cannot answer that question, without reference to documents; but I rather think not.

What was the amount of government securities held by the bank on the 22d May 1813?—That is an account which has never been rendered.

You have stated, that in the course of the year since the month of May, the debt of the government to the bank has been decreased to the extent of about £. 4,000,000;

have the discounts both increased in that proportion?—As far as my recollection serves me, they have increased in that proportion.

Then the Committee are to understand, that since the period of the repayment by government, there has been no increase in the discounts of £. 4,000,000?—That is the impression upon my mind.

Has that increase been called for, by the demands of the country, for the purposes of trade?—Yes; is the regular course of application, for the purposes of trade.

With reference to the exchequer bills, which the chancellor of the exchequer wrote to you to propose to exchange, were they a part of the exchequer bills intended to be repaid?—It is stated in the memorandum, that a sum of from 8 to £. 9,000,000 are to be repaid of which £. 6,000,000 are to form a part.

Were the exchequer bills which the chancellor of the exchequer proposed to exchange, a part of the £. 6,000,000?—They cannot be.

Were not nearly £. 2,000,000 of other exchequer bills paid off previously to the application for this exchange?—I cannot answer that from memory, without having reference to documents.

Were not upwards of £. 2,000,000 of monthly exchequer bills repaid before the government commenced the repayment of the £. 6,000,000?—I think there might be.

Were not the exchequer bills, which the chancellor of the exchequer proposed to exchange, a part of the purchased exchequer bills in the possession of the bank?—They were.

In the minute of the bank read at Fife-House on the 22d of January, it is stated, “this committee having deliberately weighed the subject, and considered the improbability that the foreign exchanges will be turned and permanently settled in favour of Great Britain by March 1820, the time to which it is proposed to limit the duration on the restriction of cash payments, think it a matter of the highest importance that the public shall not be deluded with an expectation which is not likely to be realized;”—supposing that the advances to government had been repaid in the manner stated by the bank to be necessary, previous to the month of March 1820, in that case would the objections of the bank, to resuming payments at that period, still have existed?—I must beg to observe, that that paper I have delivered in, is the sense of several gentlemen, it is not solely my individual opinion, and therefore I do not see how I can answer the question; I have stated, in a former part, that it is a question of experience what effect the repayment of £. 9,000,000 would have; and if the repayment of £. 9,000,000 should have the effect of turning the exchanges in our favour, then perhaps the bank might open with safety.

Is it your opinion, that if repayments by government to the bank, to such an extent as should be satisfactory to the bank, were made previous to the month of March 1820, that in that month the bank of England could, with safety, resume cash payments?—If the government would repay the bank of England all that it owes the bank, the bank could resume its cash payments at the period mentioned, without reference to the effect it would have upon the public.

Government having paid off upwards of £. 4,000,000, and an increase of discounts having taken place to the same amount, did not the increase of discounts counteract the tendency of that repayment to improve the exchanges, and thereby render the repayment, in so far as it went, of no avail for that purpose?—The discounts are of a very different nature from the advances upon exchequer bills; they are upon short periods, and are continually returning, consequently the bank always has it in its power to lessen its discounts if there is any improper speculation, or any thing going forward which is injurious to the country; this repayment has not had the effect of improving the exchanges, or of diminishing the issues.

Supposing that government had been able to execute its purpose, of reducing the advances at the rate of £. 1,000,000 per month, as stated in the memorandum of the 22d May, and that the demand for discounts, and the extension of issues for that purpose, had been in the same proportion as in the case of the £. 4,000,000 actually repaid, would not such repayment have been altogether useless towards improving the exchanges?—If the same amount of circulating medium had continued in the one case as in the other, it probably would have had no effect upon the exchanges.

Is it not probable that the demand for discounts would have increased in proportion to the repayment by government?—If there had been an actual want of money, undoubtedly the applications would have been in the same proportion as these payments.

And if such want had been felt, would the bank then in that proportion have extended its discounts?—I dare say it would.

George Dorrice,
Esq.

(11 February)

George Darwin,
Esq.

(11 February)

Have the goodness to state the grounds on which you form the opinion, that an issue of bank paper to government would operate upon the exchanges differently from a like issue of paper upon discounts?—An issue of bank paper upon government security is beyond the control of the bank; an issue upon commercial bills is always within the power of the bank.

Do not you consider that the unfavourable state of the exchange is, at the present moment, the immediate or proximate cause, which prevents a resumption of cash payments?—Certainly; the present rate of exchange would make it very dangerous to resume cash payments at present.

Is not that the principal cause which prevents it?—I have stated in a former part, that I consider the advances to the government to be the principal cause.

Do not you conceive that if the government repaid to the bank a given proportion of their advances, the bank would be so far enabled to influence the foreign exchanges, as to give them the power of resuming cash payments?—Not to the extent of resuming cash payments, because we must feel our way; but the experiment would be tried, what effect it would have in turning the exchange in favour of the country.

What do you mean by, feeling your way?—The general state of the exchanges and the flourishing commerce of the country, and the prospect there was of their continuing in a favourable state.

Have the goodness to explain the precise way in which, in the event of the repayment by government, of whatever sum the bank might consider sufficient, the bank would proceed to influence the foreign exchanges?—If the government were to repay the bank a large proportion of its advances, there would be very few bank notes out on the public, and a lessened circulation will have an effect to render the exchange favourable.

Have the goodness to explain, in what way that diminished circulation would have the effect you ascribe to it, namely, of bringing about a favourable state of exchange?—Because it would form an export of merchandise, and an export of merchandise would bring money into the country.

Would it have the effect of forcing an export of merchandise, by diminishing the price of goods?—Undoubtedly it would have the effect of lowering the prices of goods, because a forced export must be effected at a reduced price.

State whether, in your opinion, there would be any inconvenience and distress occasioned by such a diminution in the amount of bank notes, as would probably restore a favourable rate of exchange?—A diminution of the issue of bank notes would occasion a general distress throughout the country, if reduced below the amount which is necessary for the fair trade of the country.

Do you conceive that the quantity of bank notes that would be necessary to render the exchange favourable, could be withdrawn from the circulation in the present state of the exchanges, without producing the distresses you have referred to?—Every alteration of that nature must be extremely gradual; if done suddenly, it might do a great deal of mischief, if done gradually, it might be advantageous to the country upon the whole.

In what sense would it be advantageous?—Because it would place this country in a better situation with regard to all foreign countries.

Are you of opinion, that the effect of reducing the price of manufactures would be to diminish the quantity manufactured and exported?—The manufacturer would not be disposed to manufacture upon a low price to the same extent as he would upon a high price; but with regard to the export, the lower the price in England, the greater will be the demand abroad; in the first instance you must export, then you get returns.

You have stated, that if the diminution of the issues of the bank of England was extremely gradual, it would be advantageous to the country upon the whole; do not you conceive that whether such diminution be made in the manner you describe, or more rapidly, the ultimate effect must be a proportionate fall in the price of commodities generally?—I conceive that would be the effect.

Having stated, in an early part of your examination, that the repayment of the advances of government would not enable the bank to open at the period now fixed by law, viz. July 1819, because the period for preparation would be too short; and having, in answer to a subsequent question, stated, that the like repayment would enable the bank to open in March 1820; upon a comparison of those opinions, do you adhere to the latter one?—Yes; I continue of the same opinion, without any reference to other circumstances.

Is the Committee to understand that the bank of England regulate their discounts solely by a view to the nature of the transaction and the state of the parties, and not with any view to the state of foreign exchanges?—If a house, which is in the constant habit of dealing in exchanges, were to send in a large sum for discount, at a time that the exchanges were unfavourable to the country, it certainly would become a part of the consideration.

Is that, because such a state of exchange might affect the credit of the house?—No, with reference to the good of the country at large.

Then the discounts of the bank of England are influenced by a view to foreign exchanges, in a case, where the applicants for discount are foreign merchants?—Where they are dealers in exchanges.

Are the discounts of the bank of England, in all other cases, regulated solely by a regard to the transaction and the character of the parties?—The various circumstances that bear upon the question, the solidity of the party, the amount of their account, and the nature of their business, are taken into consideration.

In any other case than that you have stated, would regard be had to the state of the exchanges?—I do not think that that is made a consideration in a general way.

You have said, that a contraction of the issues would lower all prices, are the Committee not to understand that it must lower the prices of gold and silver, as well as of all other commodities?—I apprehend it would.

You were understood to say, in answer to a former question, that the price of gold and silver would naturally fall with the price of all other commodities, as the result of the diminution of issues; if the price of gold were to fall below the mint price, it would then become a more profitable employment of that gold to coin it, than to deal with it in any other way; would it not?—It is most probable, that if the price of gold were to fall to or below the mint price, the bank and individuals would send it to the mint to be coined.

Would or would not the result of that favourable exchange, leading to a diminution in the price of gold and to the employment of that gold as coin, supply the diminution of notes, which would produce that favourable exchange?—The gold, when coined, would certainly supply the diminution of the notes withdrawn.

Would not this afford a natural limit and check to any distress produced by any reduction of the bank notes in circulation?—The total amount of circulation would be the same; for in proportion as the notes are withdrawn, gold would supply its place.

It has been stated, that paying off a large sum of exchequer bills to the bank would facilitate the discounts which might be given to private individuals; have the bank hitherto refused good and unexceptionable bills in their character and circumstances, on account of the extent of their advances to government?—When the advances to government are to a considerable extent, there is little demand for discount, but the merchants are supplied by the private bankers.

At the meeting at Five-house on the 15th of January, and in one or two previous conversations, had not the proposition of Lord Liverpool been, that the bank should resume its cash payments in February 1826?—As well as I can recollect, but I may be mistaken, the first period talked of was April, which being over upon the dividends was objectionable; and then it was reduced to February; but it was mere matter of conversation, and I do not think there was any particular period named.

Was not the proposition of Lord Liverpool, that the resumption should be in the month of February; and did not a suggestion then come from the governor or deputy governor of the bank, that the 5th of April should be the day fixed; did not Lord Liverpool object to this, that it might be inconvenient to recommence cash payments on a dividend day, and was not the month of March then fixed upon?—The report to the committee of treasury mentions the month of April, perhaps erroneously; February might have been first talked of, but I do not call it to mind; upon reference to a private memorandum, February was the period first talked of.

Assuming the course of foreign exchanges to be 5 per cent against this country, would not the effect of a diminution in the price of commodities clearly, consequent on a diminution of issues, be to restore those exchanges to par?—The effect would be, to force an export, and thereby raise the exchange.

George Davies,
Esq.

(11 February.)

Veneris, 12^a die Februarii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

CHARLES POLE, ESQUIRE,

Called in; and Examined.

Charles Pole,
Esq.

YOU are deputy governor of the bank?—I am.

In your opinion, would it be practicable and safe for the bank of England to resume its payments in cash on the 5th of July next?—Certainly not.

Have the goodness to state the causes which, in your opinion, now operate to prevent the resumption at that period?—I think, that the present state of the foreign exchanges is one reason; also, the price of the bullion market, compared with the coinage price; also, the low rate of interest which has prevailed for a great length of time, till within a very short period, which has induced a great number of persons to look to the continent for investments of their property at a larger interest, and has naturally thrown a very large proportion of the capital of this country into foreign securities, which not being yet completed, add to the balance against this country, and which I consider likely to continue for a certain length of time; also that a very large proportion of the issues of bank notes are made upon government securities; all these circumstances weigh so strongly in my mind, that I conceive it would be impossible, between this and July, to look for that state of exchange, which would put it into our power to resume cash payments, without bringing down the most serious evils upon the country at large.

Supposing one of the obstacles which you have named to be removed, namely, the amount of advances due by the government to the bank, would it be in the power of the bank to take any proceedings with a view to remove or lessen the remaining difficulties to which you refer, as preventing the resumption of cash payments on the 5th of July?—In answer to that I should say, that between this and July, whatever the government might do in reducing our advances, the public, circumstanced as they are, must naturally press for a certain degree of assistance, till they are able to liquidate those contracts into which they have entered; and consequently, between this and July, whether the reduction on one side could be so arranged, without a certain degree of assistance on the other, to keep persons in a situation to fulfil their engagements; with these impressions I should say, it could not be done on the 5th of July, without bringing down that degree of inconvenience upon the public, to which I have alluded in my former answer.

Could such arrangements be made by the bank as, in the event supposed, namely, the repayment of the advances due from the government to the bank, would enable them to resume cash payments at a more distant period; for instance, the 1st of March 1820?—In my present opinion, I should hardly say they could; but that is a question which it is very difficult for me to give an answer to; my present impression is, that they would not.

Can you name any period at which you think such arrangements could be made?—Certainly not; I cannot name any specific period.

The exchanges were favourable to this country for a period of sixteen months; namely, from the month of March 1816 to the month of July 1817; do you conceive that the bank could, during that interval, or at any period of it, have safely resumed cash payments?—So long as the exchanges remained permanently in our favour, the bank were certainly in a situation to do it.

In what manner do you conceive that the advances due by the government to the bank operate as a difficulty in the way of the resumption of cash payments?—Because we have no control over our issues made on that account.

Supposing the repayment to take place, in what manner would you proceed practically to exercise that control?—Because, in the first instance, when it is issued upon government securities, we having no debts due to us from the public which are coming in, the quantum remaining out may more or less affect the value of money in the shape of interest, over that which we have in discounts. The parties applying for discounts can only procure our notes at a certain interest, never

discounting under five per cent; and all which we issue in discount being only on sixty-five days, there must, be within those sixty-five days, the whole of that we issue progressively returning upon us; by which we are enabled to ascertain the precise demands of the public as to their wants and assistance, whilst in the other instance we have no opportunity of judging.

Charles Fox,
Esq.
(12 February)

Supposing any given sum, twenty-five millions for instance of bank notes, were outstanding, do you conceive it would make any difference, so far as the rate of interest is concerned, whether those twenty-five millions were outstanding in consequence of discount to individuals, or partly in consequence of discount, and partly in consequence of advances to the government?—That must depend very much upon the quantum which is apportioned to each of those securities.

Supposing the debt due by the government to the bank was reduced in such a proportion as the bank itself might deem necessary, do you think it would practically lead to a reduction of the amount of notes issued by the bank?—At this moment I should say yes; but that is a question which must depend very much upon circumstances.

What are the circumstances to which you allude?—The circumstances to which I allude are, that if the value of money is at three per cent or four per cent, which it has been for some time past, the demands of the public on us for discount at five per cent, I conceive, would be reduced, and therefore our issues would be lessened; if commercial circumstances were to occur, by which individuals could make use of their property beneficially at five per cent, then the demand for discounts would probably be larger upon us; therefore it must depend upon the circumstances of the wants of the public at the periods which might occur; alluding to the present circumstances, I conceive they would be reduced, perhaps not at the present moment, for there has been a press within the last few days, arising out of particular circumstances; in the first place, the repayment of the advances made by the bank on the loan, and next Friday there will be the last payment into the Exchequer for the loan; therefore for those two occasions there is a press upon us for the moment; but immediately after that, it may slacken again.

Do you think the foreign exchanges are capable of being affected by the amount of your notes in circulation?—Inasmuch as when our issues are upon securities over which we have no control, the interest of money here being so much less, compared with that which capitalists can make of their capitals upon the continent, that the capitalists, looking to a more lucrative employment of their capitals upon the continent, will naturally throw the balance against us, and thereby lower the exchanges.

Why is the exchange affected in a different degree, by the issue of your bank notes to the public, in consequence of discounting for individuals, from that in which it is affected by their issue, in consequence of advances to the government?—I conceive in the one instance the parties have our issues completely for their own use; in the other, where our advances are upon discounts, a certain quantity of those bank notes must constantly be required to make the repayments to us; therefore I think the effect of the two is very different.

Do you think that a considerable reduction, in the amount of your paper issues, would affect the exchange?—I do.

What sum do you mean, when you speak of a considerable reduction?—Seven or eight millions.

Then, as you conceive a favourable rate of exchange to be necessary, in order that you may be enabled to resume cash payments; and as you conceive that a reduction of your issues would contribute to make the exchanges more favourable; in the event of the repayment of the sum which you conceive to be necessary, would you make a corresponding reduction in your issues?—Considering the situation which we hold, I should say, we could not do it; because, in doing it we must ruin one-half of the commercial world at present. I am alluding to the question, as put to me, in regard to any thing to be done hastily.

Have the goodness to explain the nature and extent of the inconveniences which would be occasioned by such a gradual reduction of your notes, as might enable you to affect the foreign exchanges, and to resume cash payments, at the expiration of a given time; supposing the 1st March 1820?—I should conceive, that by our making that reduction, to which the question alludes, between this 1st March 1820, great part of the commercial community would be rendered unable to fulfil their contracts.

Is the answer which you have given, with respect to the effect

Charles Fife,
Esq.
(15 February.)

of a reduction of the issues of the Bank, founded on observation and experience of particular cases, or the result of reasoning only?—Entirely upon reasoning; and my reasons are, that I conceive it would compel persons to withdraw their capitals from the continent to this country, on purpose to be able to support their own payments.

You have said, that you think no preparation begun to be made now, would make it safe and expedient to open on the 1st of March 1820; could you assign a period now, at which you think it would be safe and expedient to resume cash payments?—No, I cannot.

Do you think it possible to fix, at any considerable distance of time beforehand, the period at which the bank should peremptorily open, and could open with safety?—That must depend upon circumstances.

Could you now assign any period, however distant, at which, judging from the circumstances of the present time, and any other views of your own, you could look to the Bank's opening with safety?—That is calling upon me to fix a period, which I am unable to do.

You have stated, that the difficulty in the way of fixing such a period is, that when it arrives, the mercantile world would be unable to fulfil contracts which they have entered into; do not you apprehend, that so long as the period is distant and uncertain, the mercantile world will go on making such contracts?—No, I do not think they would.

What, in your opinion, would be the inducement to the mercantile world to abstain from making such contracts?—Because the low interest of money has induced persons to enter into contracts, which they have still to complete, which, when the interest of money was at a higher rate, they would not be induced to enter into.

Would or would not the fixing of a definite period, at which it should be understood that the bank must peremptorily open, have a tendency to prevent the continued making of such contracts and engagements as those, the existence of which you now assign as the principal impediment to its opening?—I conceive that would depend very greatly upon the securities upon which the issues of bank notes take place.

Are you then of opinion, that no period can safely be fixed beforehand, at which the Bank shall peremptorily open?—Not unless our advances to government are so reduced, that we may be able to feel the effects upon the general demands of the public, as to money.

Supposing then, the advances to government to be reduced to the amount which the bank should assign as necessary for that purpose; could a period then safely be fixed at which the bank shall peremptorily open; meaning by the word safely, not to question the solvency of the bank, but to refer to those circumstances to which you have throughout your examination alluded?—I am unable to fix any period, coupled with the words 'safety to the public.'

Is the Committee then to understand, that even supposing the advances to government to be repaid to the amount which the bank themselves should specify, it would still be impossible to fix, beforehand, a definite period at which the bank should open, with safety to the public interest?—Under present circumstances, I think it would be impossible.

Have the goodness to specify the circumstances which render it at present impossible to fix the period?—Considering that the English capitalists have engaged so largely in foreign loans, until those contracts are somewhat liquidated, it appears to me impossible to consider of any specific time that could be fixed.

Supposing the effect of those temporary circumstances removed, and supposing, as before, the advances to government repaid, would it still, in your opinion, be impossible to fix, before hand, a definite period for the opening of the bank?—I think the two great difficulties would be removed at the same time; I am not prepared to say that I could fix any specific period.

Are there any circumstances, in addition to those you have stated as temporary, now operating, which would prevent your fixing the period for the resumption of cash payments?—The price of bullion in the market, and the coinage price at this moment.

What scale of reduction in the advances of government, do you contemplate as necessary to enable the bank to try the experiment of resuming cash payments?—That, I conceive, must depend upon circumstances, and it is impossible to answer till I see the effects.

What

What is the scale of repayment you would recommend?—With respect to the scale of reduction, I might say, at this moment, seven or eight millions; but if that had not the effect, I must look to a further reduction, and therefore I am not prepared to say, to what extent that reduction would be required.

Are you prepared to go beyond the demand the bank has made of repayment, it being understood that the bank desires to receive eight millions, exclusive of the interest, making nine millions in all, including the five millions already received; do you conceive any additional repayment from government to the bank is necessary?—I do.

Are you prepared to say to what extent?—No.

You have stated the extent of the foreign loans on the continent, as one of the causes which has operated unfavourably on the exchange; have you any reason to suppose, that the re-establishing of British commercial houses in different parts of the continent, that had been displaced by the war, has led to any extensive removal of capital from this country to the continent, in addition to that which has gone for foreign loans?—I conceive that it must have added to the effect, though I am unable to judge as to the quantity.

Have you any reason to suppose that the quantity has been considerable?—I have no opportunity of judging upon that point.

You have stated, that the repayment of the government advances might, or might not, lead to the diminution of issues according to circumstances, and by circumstances, you have stated, a greater or less degree of demand for commercial discount, depending upon the rate of interest; might not applications for discount, to a considerable extent, be made to support speculations and over trading, notwithstanding the check that is afforded by the rate of interest at 5 per cent demanded by the bank for all such discounts?—It might, but I think a very great inducement to speculation would be withdrawn.

Would not a great inducement to invest money in foreign funds, be also withdrawn?—The nearer the two interests assimilate, the less the degree of inclination to invest.

Is the Committee to understand, that so long as the expectation of making profit in commercial speculations, with money obtained from the bank at a discount of 5 per cent, continues, or so long as the rate of interest abroad upon foreign securities shall be considerably above 5 per cent, it would be attended with danger to the commercial and moneyed interest of this country for the bank to contract its discounts, and thereby to diminish the amount of its circulation?—In discounts we have the control over our issues, and consequently we have an opportunity of judging, whether it is upon real transactions or speculative transactions; in respect to any person who has engaged in a speculation, if we do withdraw our assistance, it certainly must have the effect of being injurious to that individual; the reduction of our discounts would be injurious to the speculator, but we should have the control over it to judge, whether it was advisable to advance upon such securities, or not.

What do you mean by a speculation, and what by a real transaction in commerce?—I conceive the real transaction of commerce is, importing for the consumption of the country, upon a fair market price, or a speculator engaging upon a speculative price.

Does not every person, embarking in any commercial transaction, speculate upon a profit to be derived from an advance in the price?—No, I do not conceive that every man does.

What is the general motive for merchants to embark in any commercial transaction?—I conceive that a merchant importing upon the price of the market, as it stands at the moment, can judge as to the transaction appearing a fair transaction; but an individual, importing under an idea of that market rising on a speculative price, I conceive that is a distinct transaction from the other; the one carrying with it more the appearance of speculation, while the other is a *bona fide* transaction.

Then are the Committee to understand, that the bank would consider as a speculative transaction, one discouraged by the refusal of discount, any importation founded on the expectation of a rise of price beyond the market price of the period at which the transaction originated?—No.

State the distinction?—The distinction I conceive would be this; that where the importer of an article was to apply to the bank for discounts upon that transaction, the bank would give an advance; whilst to individuals who are purchasing up an article, to hold merely as a monopoly of the article, the bank would not render assistance, conceiving that to be entirely a speculative transaction.

By what criterion do the bank distinguish a bill, founded on a speculation, which has a tendency to monopoly, from a bill founded upon a fair and commercial trans-

Charles Fife,
Esq.

(12 February)

Charles Pale,
Esq.

(12 February.)

action?—Because the paper offered to the bank will carry with it, almost immediately, the appearance, the acceptors or drawers of the bill being principally brokers or persons of that description, to a very large extent; whilst the other would be principally upon the consumer, and become a fair bill; it is the two species of paper which give the opportunity of judging, in a great degree.

Do you not make a very material distinction between speculative concerns and commercial concerns, in this point of view; if a merchant has sufficient property for the speculation in which he is engaged, to be able to send good commercial bills to the bank for discount, would not the bank consider that, a regular mercantile and fair transaction, whether it should be on tallow or any other article?—Certainly, I should conceive that is a fair commercial transaction.

And therefore that the objection of speculative transaction, or a monopoly, is only where a person goes so deep into the concern, that his own means are not adequate for the performance of it, and he is obliged to provide means by getting broker's acceptances, or such other as you are enabled to see through at the bank, or through your connections on charge, are able to ascertain, are produced by such too extended operations?—I should view that in the point of speculation.

But that what a person does with his own capital, provided that should not be on the necessities of life, or some such circumstances as that, you would not view with a jealous eye?—Certainly not.

Before the bank restriction, and particularly between 1789 and 1793, was not the rate of interest much higher abroad than in England?—I cannot answer that question, not having any paper with me enabling me.

As a director of the bank, do you possess the means of judging of the extent to which individuals in this country embark their capitals in foreign loans, which means are not in the possession of the public at large?—No.

Do any operations of individuals embarking their property in foreign loans, come under the immediate cognizance and observation of the directors of the bank?—I have seen paper presented at the bank, which I could not account for, otherwise than its being bottomed on such a transaction.

Would the bank refuse to discount such paper?—Certainly.

You were understood to say, that the low rate of interest drove the money out of this country, because capitalists were tempted to invest it in loans abroad, where they could get a higher rate of interest; were you rightly understood?—Yes.

Is not interest limited by law to 5 per cent, in this country?—Yes.

Interest being limited by law in this country to 5 per cent is not that the greatest amount of discouragement that can take place in this country, as far as depends upon that rate of interest?—It is a great encouragement to persons to look abroad for an increase of interest.

Do the bank ever discount at a less rate of interest than 5 per cent?—No.

What reason is there ever to expect, that the discouragement will be less than it is now, and always has been, to invest money in foreign loans, as far as persons are induced or enabled to do so, by a facility of discounting bills at the bank?—I do not conceive that the facility of discounting bills at the bank would be allowed, so as to add to the opportunity of individuals investing their property on the continent.

If the bank, in order to reduce the amount of their notes in circulation, found it necessary to diminish the amount of their discounts, in what way would that produce any inconvenience or distress to the persons engaged in the foreign loans?—The difficulty of exchanging their securities, as the circulation would be reduced; so I conceive the individuals would be less able to transmit the money which they owed to the continent.

Do not you conceive, that the rate of interest in this country depends more upon the amount of capital in the country, and upon the profits of trade, than upon the issues of the bank?—Yes.

Do the Committee rightly understand, that all the advances to government on exchequer bills run at the rate of not more than 3 per cent?—Under 5 per cent, certainly.

Then, in point of fact, if the bank were to refuse to take exchequer bills, bearing a lower rate of interest than 5 per cent, it would be the same thing, whether the issues of the bank were made upon discounts, or upon government securities, supposing the government security to run at 5 per cent?—No, I do not think there would be the same amount of advances made.

If the advances to the same amount with that now outstanding were made, raising a rate of 3 per cent, the operation in the money market would be the

same,

same, whether the issue was upon discount or upon exchequer bills?—The operation would be the same.

Then in point of fact, by the bank agreeing to issue notes upon exchequer bills, yielding a less interest than 5 per cent, do not the bank contribute to lowering the interest of money?—Yes.

Have the bank made advances to government upon exchequer bills, at a lower rate of interest than those sold in the public market?—No.

Could the exchequer bills sold in the public market, now be issued at a rate of interest at which they are sold now, but by the advances made by the bank at a low rate of interest?—I think not.

Has there been any suggestion, on the part of the government, of a convenience that would arise to the public, if the bank would reduce their rate of discount from 5 per cent to a lower rate?—I cannot say that that was ever put as a proposition for us to consider; it might be in conversation, but not to come before the court for consideration.

Has any conversation taken place on that subject between government and any of the bank directors, as bank directors, for the consideration of the bank?—No; in conversation, such a subject may have been touched upon, but never in a shape so as to come to any thing like a discussion.

Has it been suggested, on the part of government, that there would be an advantage if the bank were to alter its rate of discount?—I do not recollect that such a thing has occurred, since I have had the honour of communicating with ministers, which has been only since last April, at which time I became deputy governor.

Having stated that the bank take exchequer bills from government, at the same rate of interest at which they are sold to the public, is the Committee to understand that the bank allow upon such exchequer bills the same or any rate of premium which is given by the public for these exchequer bills?—No; the bank take them at par, neither at premium or discount.

Have the bank taken any exchequer bills for a very considerable time, except those issued for the consolidated fund and the malt tax?—None, excepting those for the consolidated fund and the land and malt.

Have the bank purchased any exchequer bills within the last six months?—No.

Since the year 1816, as far as you can hear in your mind, has the amount of exchequer bills purchased and held by the bank been materially increased?—I cannot answer that question, from any papers I have with me, but the accounts will be produced.

Can the exchange of exchequer bills, no addition being made to the purchases, have the effect of lowering the rate of interest?—I should think not.

Does not the bank deal with government, in its issues, at a different rate of interest from what it does with the commercial world?—Certainly.

Does not that difference, whatever it may be, contribute generally to lowering the rate of interest in a certain proportion?—I conceive it certainly does.

In what way does that operate?—I conceive inasmuch as we advance out of our coffers to the chancellor of the exchequer that, which would be otherwise taken from the public.

Supposing the same amount to be lent to government, would not the same effect be produced if you lent it to government, at a higher rate of interest?—Yes.

Does not the low rate of interest of exchequer bills contribute to keep up the high price of the funds?—I think it may.

Does not the rate of interest in the funds in some degree affect the general rate of interest in the country?—I think it does.

In point of fact, has government borrowed of the bank at a lower rate of interest than it borrowed of individuals at the same time?—No.

Charles Fife,
Esq.
(12 February.)

Martin, 16^{te} die Februarii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

JEREMIAH HARMAN, ESQUIRE,

Called in; and Examined.

Jeremiah Harman,
Esq.

IN your opinion, will it be practicable for the bank to resume its cash payments on the 5th of July next?—Perhaps before I answer the question, I may be permitted to assure the Committee there is not a man existing, who wishes it more than I do, if it were practicable; but my wish does not blind me to the difficulties, and I have no conception of the possibility of it.

State the grounds on which you come to that conclusion?—I conceive that the main cause of the present situation of our currency is the war which has only recently ended; that during that war we were obliged to incur expenses beyond all former precedent; that our debt was increased at least six hundred millions; that taxes were necessarily raised to pay the interest of that debt, and that the expenditure of the country, and not only the country but of individuals also, the scale of expenditure was so increased, that a larger amount of circulation was necessary; the consequence of that was, the issue of paper, all the gold in the country having disappeared. The amount of that gold forms a very material part in my view of the subject under consideration; it has been estimated by the late Lord Liverpool at thirty millions; Mr. Rose stated it higher; but perhaps if we were to take it at twenty millions, that might be about the amount which was in circulation previous to the restriction act. I am at a loss to conceive how, under existing circumstances, and in the present state of the exchange, and the relative situation between this and foreign countries, we are, with any sort of propriety, to expect that we shall be able to obtain any thing like that quantity of gold for circulation; because, I think I am warranted in saying, that if twenty millions, besides what remained in the bank, was necessary for the scale of expenditure before the restriction act, it is taking it moderately to contend that as much would be necessary now. Then, as a merchant, I should be perfectly at a loss to set about such an operation as to attempt to introduce a large quantity of gold into the country in the present state of the exchange, being below par; it would be vain indeed to think of importing gold now; and there is another thing that we must not lose sight of, namely, whenever gold is above our present standard of 3*l*. 17*s*. 10*d*. there is a temptation to individuals to take gold out of the bank, or out of the country, for the purpose of remittance, that it would be a constant drain.

What meaning do you attach to the expressions, the relative situation of this and foreign countries?—I more particularly alluded, when I used that expression, to the recent financial operations on the continent; which I consider to have thrown very great additional difficulties in the way of the restoration of a metallic currency.

Have the goodness to explain in what manner the financial operations in foreign countries have thrown difficulties in the way of the resumption of cash payments?—In the temptation that it holds out to British subjects to invest their capital in foreign securities, and that, I am warranted in saying, has operated to a great extent, of course increasing very much the balance against this country; this cannot fail seriously to affect the exchange.

You consider the immediate impediments to the resumption of cash payments, the present price of gold, and the state of the foreign exchanges?—They are decidedly the immediate; but I also meant to say, that the disposition that seems to be growing, to invest British capital in foreign securities, may continue to have an effect upon the exchange, and an increasing one.

Supposing the exchange were at this moment not unfavourable to this country, and that there was a prospect of their continuing not unfavourable; do you think, in that event, it would be safe for the bank to resume its payments in cash?—If I am to understand the question, that there was reasonable ground to expect that

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the exchanges would be permanently favourable to this country, that would remove a great deal of the difficulty in my mind; but I cannot say that I should view the opening with perfect tranquillity even then; because we may be deceived in the prospect; and though it would not become me here to enter into a political view of the subject, still I cannot shut my eyes entirely to the possibility of some sudden changes, which might have a very marked effect upon the exchanges between this country and foreign countries. I think also, that the difficulty of procuring a sufficient quantity of gold, is greater than many persons imagine; and my apprehension is founded upon the belief, that the general stock of gold is insufficient to afford us the large proportion which our increased circulation requires; at all events, that it will be a considerable time before we can obtain it; because it is not to be forgotten, that gold is every where dearer than it was; it has been growing gradually dearer for very many years past; there is a waste of gold now, which there never was before; and from the storms there have been, during the course of many years of war, people here and abroad are more addicted to the practice of hoarding; and the supply from the fountain-head may be said, in a manner, to have ceased. All these things combined, induce me to think (I do not know that I should venture to say it any where but here;) but all these things combined, induce me to think, that the opening, for some time to come, will be a matter of very great anxiety, even though the exchanges to all appearance should be in favour of the country.

Do not you think that the resumption of cash payments would of itself tend to prevent those sudden changes or fluctuations in the exchange, from which you apprehend so much danger?—I really do not think so; because, while the bank can be called upon for gold at 3*l.* 17*s.* 10*d.* per ounce, every alarm would induce hoarding, or cause people to collect. The consequence of that, I conceive, would be, that long before we had obtained as much as would be necessary for the opening, we might be circumvented by operations of the public.

What proportion does the amount of the treasure in the bank now, when compared with the present extent of its issues, bear to the amount of the treasure in the bank previously to 1797, as compared with the then amount of its issues?—I am not prepared to answer that correctly; but this I may say, at the time when we had the largest amount, before we issued the sovereigns to the public, we had more gold than we had at any former period. In 1816 we had positively more.

Previous to the issue of the sovereigns?—Yes.

In the month of March 1816, the exchanges were favorable to this country, and continued so for a period of sixteen months; what do you think would have been the general result of the resumption of cash payments at that period?—At that period I was induced to flatter myself that the doors of the bank would be opened, if I may use the expression, insensibly, that the public would hardly know whether the bank was open or shut; and my reason was, that it was in a moment of tranquillity, that people seemed indifferent about gold; that instead of coming to the bank for gold, they brought their gold to the bank: that remained till the financial operations in France began; and as soon as ever they were talked of, the tide turned.

Does not indifference to gold mean, that the market price of gold so nearly corresponded with the mint price, that there was no inducement to procure gold from the bank for the purposes of profit?—Yes; but I must explain myself upon that subject. I am one of those who think that that was, in a great measure, a forced operation. I had my suspicions at the time, that the rate of exchange was not the true index of the relations between England and the continent. The individuals who employed themselves in bringing gold into this country at that time, had such complete control over the exchange, that I believe they might have made it higher, if they had thought proper, for a special object. They know perfectly well that the bank, in order to make preparation for opening, which we were taught to think our duty, and which certainly was our duty, they knew very well that the bank would give a high price for gold, and the higher the exchange was, the better the rate, and more advantageous at which they made their remittances to pay for that gold; but I cannot believe that that was any proof of the balance of trade being more, or materially more, in favour of this country, than it had been a few months before; the rise took place too suddenly, and I cannot think that there was solid ground for it.

Do you think the operations of individuals, not growing out of regular commercial transactions, could so control the foreign exchanges, as to raise them above their natural level, for so long a period?—Yes, I do; I certainly do; because the parties

*Journal Hermon,
 Day
 (2d February.)*

referred to, had complete control over the exchange, as long as it lasted. The trial did not come till the French financial operations were talked of; there was nothing to induce a fall till that; there was no demand for gold in this country.

In what manner did the individuals proceed to exercise that control?—I can explain that no otherwise than by their saying, "the exchange shall be at such a price, and we will not take otherwise."

Could those individuals, to whom you refer, counteract the effect of the general competition in the market, by which the exchange must be entirely regulated?—There was very little doing at that time, except what was doing by the persons alluded to.

You consider the control exercised, as owing to peculiar circumstances existing at that time; do you think, that under present circumstances, the same control could be exercised?—I do not think they could exercise the same control now, because while there was only one taker of foreign bills at that time, there are scores now; and therefore there would be a competition; if there is only one buyer in a market, he can almost command a price, but if the market is an open market, and there are competitors, there is not the same opportunity of taking advantage of individuals; it is possible that I may err this a little further than some might; but I will venture to assert, there is good ground for the opinion entertained.

To what do you attribute the difference between the circumstances then existing and present circumstances; to increased commercial dealings, or to what other causes?—I am afraid not to real commercial dealings, but to operations on the exchange, in consequence of investments of British capital in foreign securities; I believe it to be chiefly owing to that.

Do you consider that there is pretty nearly the same extent of real commercial transactions at present that there was then?—No; I should not think there was quite so much, but I do not think the difference is sufficient to build much upon.

You have said that you consider the rise of the exchange in the year 1816 a forced operation, was not the gradual diminution and final cessation of the great government expenditure abroad, occasioned by the war, of itself sufficient to produce that rise?—I think that effect had been already produced; the rise would not have been so sudden if it had been owing to that cause; it commenced in March 1816. When I speak of a rise, I speak of that rise which brought the gold into the country, which continued from March 1816 to July 1817; on the 17th of February the exchange on Paris was 24. 18. the printed price of exchange; on the 2d of March it was 25. 10. and on the 9th of March 25. 30. above par; that I call a sudden rise; the whole of the operation almost was with Paris: then on the 5th of July 1817 it was at 25, and from that time it continued to fall.

From July 1817 to July 1818, the exchanges became unfavourable to this country?—Yes.

To what do you attribute their depression?—To the alarm that was occasioned by, and to the preparations for embarking in the French loans; I should say that was the cause, from July 1817; because it was about July 1817 that the French loans were in progress; and I decidedly think that the fall in the exchange was owing to the preparations for them.

Referring to a former answer, in which you say that there is at present a particular waste of gold, have the goodness to state the grounds on which you infer there is such a waste?—When I say at present, I mean in modern times, from luxury; the consumption of gold which is in fact a waste, as applied to the subject before us.

Do you mean, by the term in modern times, to imply that it has increased since the year 1797?—I think it has; that there have been more fortunes made by loans and otherwise, since the year 1797, and greater extravagances, and that there has been more gold used in articles of luxury, than before.

Do you think that the foreign exchanges are affected by any considerable increase or diminution in the amount of the issues of the bank of England?—I cannot say that I have ever thought that they are.

Do you think they are affected by the general amount of the paper circulation of the country, including the paper of country banks as well as the bank of England?—I can suppose, that if there is a very considerable over-issue of paper in the country, that might have an effect upon the exchanges.

State what you consider to be the criterion of a superabundant issue?—The criterion of a superabundance is, when money will not produce a sufficient interest;

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I think, when in fact there is no demand for money, it will very soon discover itself in the money market, whether there is a superabundance or not.

In what manner?—It will be, if I may use the phrase, hawked about at a lower rate of interest than is usual.

Would not a rise in prices be the consequence?—I think it would, if the superabundance were of long continuance.

Then in the event of a diminution, there would be a correspondent fall in prices?—Yes; if the one is true, I think the other must be also.

And in the price of gold, amongst other articles?—I do not think that gold is affected in the same way as other articles, there is so little gold; and the scale of expenditure is so much enlarged, that we cannot consider gold exactly as we do other articles.

What do you consider to be the causes which regulate the amount of interest in the money market?—More or less of the article.

Supposing there was a positive obligation on the bank to resume cash payments at a definite period, say the 1st of March 1820, what do you consider would be the proceedings of the bank, with a view to their being so enabled to resume cash payments?—That is rather a difficult question, because I should at first say decidedly, lower their issues to a very great extent, and that more especially in the present state of affairs; but when I recollect that the same expedient was resorted to before the restriction, and that it produced the worst effects possible upon the public, it would be with extreme apprehension I should resort to the same again.

With a view, to what immediate effect would the bank reduce their issues?—To the consideration of their own security, and to make themselves as independent as possible, in order that if there should be a run upon them, they should have the means of fulfilling their engagements; putting, as the Committee invite me to do, the consideration of the public out of view, it would then be for the safety of the bank exclusively that I should act, and therefore reduce the issues at all events, that we might fulfil our own engagements.

Would it be with a view to facilitate the purchase of gold, by the reduction of its price in the market?—That would not be my first object; an extravagant lowering of the amount of paper would very likely have the effect of lowering the price of gold, but inasmuch as we withdraw from circulation our paper, the means we already possess would be more equivalent.

Supposing that a considerable proportion of the advances due by the government to the bank to be repaid, supposing nine or ten millions for instance, including the five millions already repaid, and that there was an obligation on the bank to resume cash payments on the 1st of March 1820, what do you think would be the effect upon the public of a gradual reduction of the issues of the bank at the rate, suppose of £ 100,000 per week, or half a million a month?—It remains yet to be proved what reduction the public could bear, and therefore I am not qualified to say what the effect would be, till we should ascertain what quantum of circulation the wants of the public might require.

Supposing that the debt due by the government to the bank to remain the same as it does at present, what do you think would be the effect of a gradual reduction of the issues of the bank, in the way of discount, at the rate of half a million a month?—One would be very much disposed to try the effect of a moderate and judicious reduction; there would inconvenience result from it; it has been always a favourite idea with myself, and I hope the time will come when the experiment may be tried, without inconvenience to the public.

Do you expect that any inconvenience to the public would arise in the course of making that experiment?—The only inconvenience I know to be apprehended is, that there might not be a sufficient circulation; I am one of those who do hope that in due time there will be a gradual material reduction.

What are the circumstances under which you think it would be attended with inconvenience to make the experiment?—When the government have paid off the amount which they propose to pay.

What amount of repayment by government would, in your opinion, enable you to make that experiment?—I certainly do not think that the public would bear a diminution at the rate of half a million a month; any such attempt would cause the greatest distress, and if persevered in, would force bankers and others to resort to expedients.

—What amount of repayment by the government would enable you, in your opinion

Liverpool Harbour,
Eng.
(16 February.)

*Jeremiah Harman,
Esq.*
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opinion, to make the experiment?—The experiment, to a moderate amount, may be made at any time without much risk, because if it was found to be so great an inconvenience to the public as to become intolerable, it might always be stopped; further assistance might be afforded in the way of discount; but this must be left to the discretion of the directors.

Have the repayments which have already been made, actually led to any diminution of the issues of the bank?—The amount of bank notes is diminished.

Has it been diminished, in proportion to the amount of the repayments?—No, I think not.

What regulates, in your opinion, the amount of circulating medium, which is necessary for the purposes of the country; is it the amount of revenue and expenditure, and the general amount of foreign trade in the country; or on what other circumstances does the amount of the circulating medium depend?—I should think, decidedly, what has been suggested, the amount required for the revenue, and the general expenditure, and also what is wanted for inland and foreign trade.

In the year ending 5th January 1808, the net produce of the revenue, independent of loans, was £60,189,414, and including loans, £75,446,826. The number of vessels belonging to the several ports of the British empire was 22,335; the tonnage £2,380,991. In the year ending the 5th January 1818, the net produce of the revenue was £47,277,450; being more than 28 millions less than the total amount of revenue of the year 1807. The number of vessels belonging to the several ports was 25,346; the tonnage, 2,664,686. In the former year, the average amount of bank notes in circulation was about £16,700,000; in the latter year, £28,000,000: To what do you ascribe the necessity of so large an increase in the amount of bank notes in the latter year, above the amount of the former?—I dare not venture to give an answer to this, without more consideration; it is a question of so much importance, I hope I shall be excused giving an answer to it, at the moment.

Is there not a material distinction in the effect of advances from the bank to government of different kinds; for instance, between those which are continually and gradually returning; such as advances upon the malt duty, and those which are of uncertain payment?—Unquestionably.

Would not then the conversion of a part of the permanent advances into such floating advances as have been mentioned, operate to relieve the Bank nearly as much as an immediate repayment?—No, I should not think it would; because it would occasion a periodical increase of the amount; and though that might be liquidated in a short space of time; yet I do not think it would be as effectual as a repayment; in short, giving us a control over our own capital.

But that would afford considerable relief?—Decidedly, it would be an improvement.

Does not the effect of a loan, raised for the purpose of a repayment to the bank, with respect to its operation, upon the general interests of the country, differ very materially from a loan raised for the ordinary purposes of the public service?—Yes, I think it does differ very materially.

Is there not a material difference, whether a loan is raised by government, and re-issued by being applied to the public expenditure; or whether it is paid to the bank, and operates in diminution of the circulating medium, unless the bank re-issues the same amount in another way?—If the amount be not re-issued in another way, it makes a material difference.

Might it not lead to great public distress?—That depends entirely upon the amount of circulation which the public require. If we are to suppose that the amount of that loan is not more than government ought to repay the bank, the public might possibly bear it without inconvenience, and there would always be the means, if it was thought right, of assisting the public in the way of discount afterwards.

Were you understood rightly, that if the bank were to contract their issues materially, with a view to no other consideration than their own safety, as a mercantile body, such contraction would nevertheless incidentally affect the foreign exchanges?—I think, contracting the issues to a very large amount, would affect the foreign exchanges; but I do not think a moderate reduction of them would affect materially the question of the opening.

You are understood then to be of opinion, not that no contraction of the issues of the bank would be capable of affecting the foreign exchanges, but that the effect would

would wholly depend upon the degree in which that contraction was made?—Y^{es}, *Jeremiah Barnes,*
I do think so. *Esq.*

(16 February.)

You have stated to the Committee, that you estimate the quantity of gold necessary to the circulation of the country, prospectively, to be about the same as it was in the year 1797; state your reasons for deeming it probable that the same quantity of gold would be requisite?—I think it impossible that there can be any partial opening; whenever the bank opens, I trust it will open for the payment of gold without reserve. There is no comfort in looking to any thing else; and I think I am borne out in believing, that at least as much is necessary, because, as I have already stated, that the scale of expenditure is larger than it was before the restriction; and, unfortunately, many persons, private individuals, have found the superior value of gold for the purpose of exportation, of which they were before ignorant: then they will take alarm on every rumour, and gold will be hoarded; and if, in addition to that, we should have a new war, or there should be any circumstance to continue that alarm, the bank must be prepared, in case of a run, to pay a very large amount indeed of its notes, because not only would that portion of gold which may be in the public be withdrawn, but there would be fresh claims on the bank, to obtain gold at 3*l.* 17*s.* 10*d.* and sell it at an advance, is too great a temptation to be resisted by many.

Do you calculate, after the opening of the bank of England, upon the country banks carrying on their banking operations on gold deposits as formerly, or that they would carry on their operations on bank of England notes, as at present?—I should think, in a great measure, on gold deposits; and it must not be forgotten, the bank of England would be the great dépôt for gold, in case of the alarm to which I have alluded. Whoever held notes of the bank of England would have a claim to come to the bank of England for gold.

Assuming the bank of England, as at present, to continue to have the power of issuing small notes, and the country banks to be deprived of that power two years after the opening of the bank, do you in that case look to the quantity of gold necessary for the general circulation of the country to be greater or smaller than it was at former times?—I should say very much the same; there may be reasons to suppose that at times it might be greater, but I should be satisfied to risk it at the same; because, though the bank of England might still be permitted to issue one pound notes, yet, as an individual director, I should never be satisfied to rest much upon the 1*l.* notes, the bank being open; a mixed currency in quiet times is an admirable thing, but in case of difficulty or alarm, the 1*l.* notes would very soon be converted into gold.

It appears, by the scale that has been delivered in to the bank of England, with respect to the quantity of treasure in possession of the bank, that the quantity in the coffers of the bank, in the month of May 1815, is represented by the number 420, and that in the January of 1818 it was increased to 2,352; are you of opinion, that a larger quantity could have been imported for the bank, according to the then state of the exchange?—I think decidedly not; in my former answer upon this subject, it will be found that, whether right or wrong, I have conceived that measure to be very much forced.

What proportion do you conceive that quantity of gold so imported would bear to the quantity of gold you should now consider necessary to be imported, with a view to putting the circulation of the country on a satisfactory footing?—In stating twenty millions, I stated the amount that was out or supposed to have been in circulation, exclusive of what might be in the bank.

Is it a third or a fourth of that which it is necessary to bring into the country?—I should think more, though infinitely short of the whole.

Will not it require double the quantity?—My opinion upon that subject is of very little value; perhaps I rise the amount of gold necessary, higher than some others do.

You have stated, that an extravagant reduction of paper might force the exchanges to be favourable, is it not possible to have a favourable state of exchange, as measured by the article of gold, when the balance of payments may be against the country?—I think that was the case at the period to which I have alluded, and I believe the same operation might possibly produce the same effect again, but not at present.

You have stated, that the general amount of circulating medium that is requisite to the country, depends upon the number and amount of its transactions of all descriptions; does not the number and amount depend upon the collective quantity of capital,

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Jermol, Esq.
(18 February)

and its operations, rather than upon the particular extent either of revenue or tonnage?—I should think it did.

Do you conceive that the capital of the country has or has not increased since the period of 1808; that is, whether the capital of the country, in the year 1818, is not greater than it was in the year 1808; and if that fact is so, does not the increased capital require an increased quantity of circulating medium to conduct its transactions?—As I am not aware of any great commercial distress, or any other event that can have diminished the capital, so, as the community has been working ever since, I take for granted wealth has increased, and consequently, that in that respect a larger amount of circulation is necessary.

Has not the increase of loans themselves operated as a very considerable increase of capital to multiply transactions?—I should think it had.

Have you taken any pains to examine the prices of the country, and have they led to any observations?—I have generally examined the prices of the country, but not with a view to give any evidence; if I may be excused from doing it on this occasion; I do not feel myself qualified, at this moment, to answer satisfactorily any questions upon that subject.

Do you think that the increase of the issues of paper would not increase prices?—I think an undue increase of the issues of paper decidedly would increase prices.

What do you mean by undue, in that sentence?—The meaning of the word undue, in that sentence, is an over-lance; if more paper is issued than the honest real wants of the public require, that certainly would have an unfavourable effect upon prices.

Do you mean by that, more paper issued than private individuals may employ with profit to themselves?—More paper issued than private individuals may employ with just profit to themselves: if so large a sum of paper is issued as to induce men to speculate improperly, that I should say was an undue issue.

Will you be so good as to state, whether you are of opinion that the capital and dealings of this country have increased since the year 1808, in the ratio of 28 to 16?—I do not know that they have.

State to the Committee, what you think the principal distress would be, which a great reduction of the paper of the bank would occasion?—I presume to think that, whether right or wrong, habits have been induced, to put a stop to which, or to change which suddenly, would create ruin to the country.

Habits of what kind?—Habits in trade; launching out into trade, very likely good trade; large establishments; manufactories embarking property, or the representative of it, to a very large amount, and those establishments at this time in a flourishing state; if capital be suddenly withdrawn, it appears to me demonstrable that ruin must ensue.

Would not a part of that distress consist in a great fall of prices?—I dare say it would.

Would not that affect the prices of gold and silver, as well as of all other commodities?—I have made a distinction between gold and silver, and other commodities; it would take a long while to convince me of my error in that distinction; I have stated there is a very limited portion of gold and silver in the world, and it appears as if it would continue limited, because little or no fresh supplies of gold and silver, particularly gold, come from the mines; being dearer everywhere than they were some years ago, and the demand increased; I cannot put them upon the same footing that I would put articles that are increasing.

What is the reason you have for believing that there is no importation of gold and silver from America, and no means of increasing the quantity of the metals imported?—I never heard it disputed, and therefore have not given myself great trouble to inquire and to ascertain whether it was so or not, but I have no doubt of it; this refers more to gold than silver.

Do you think that in the case of ivory, or of any other article of limited production, the diminution of demand for it would not diminish its price?—I cannot put ivory and gold upon a footing in argument; there is such a passion for gold, that I think there is a clear distinction.

You have stated that the general stock of gold in Europe is too small; what means have you to ascertain the general stock of gold and silver in Europe at different times?—By the general stock, I mean that portion of gold which is known to be divided amongst the different countries; I do not profess to any superior knowledge.

Can you in loose and conjectural estimate, state the quantity of the precious metals

Jeremiah Harman,
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(16 February)

metals, which you conceive to be the general stock of Europe?—No, I have no means of knowing that; I believe there is a table in the Appendix to the Bullion Report, which if correct may throw some light upon it, but I cannot enter into that discussion.

What do you mean by the share of each country in the general stock of Europe?—I conceive, that if the scale of expenditure of this country, if the wealth of this country, be greater than that of other countries, and that we are to pay in gold, if our currency is to be gold, we must necessarily want a larger share than other countries do.

Are you aware that on very good authority, the authority of Mr. Humboldt, we have the annual coinage of Spanish America, about the year 1806, to be five and thirty millions of dollars?—I do not remember that.

You have stated, that gold has become dearer in the market of Europe; do you mean dearer in exchange with other commodities, or dearer in exchange for silver?—I mean dearer in exchange for silver. I would beg to state, that upon authority, which I presume to be as good as that to which reference has been made, the average annual export of gold from all South America, from the year 1790 to 1812, did not amount to two millions sterling; that since then it has become less and less; that by a report from the government of Mexico, the quantity of gold coined there in 1814, amounted only to the value of 600,000 dollars; that formerly we drew the greater part of our gold from the Brazils through Portugal, but that now, not only does little or no gold come from Portugal, but that it is sent from Portugal to the Straits.

You stated the high price of gold in the European market as one of the difficulties that stood in the way of the resumption of cash payments; the natural inference from your statement would be, that you meant the market price of the precious metals, not of gold in exchange with silver; you now say, you mean to speak of the high price of gold in exchange for silver, and you apply the same statement to the diminished supply; you have made no statement of the diminished supply of both the precious metals?—I believe I should be borne out in saying the diminished supply of both the precious metals.

Would not that however be an additional statement to the answer you have made last?—No doubt; and we have to regret also the scarcity of silver as well as gold, for there are demands for silver now, which there were not formerly; the opening of the private trade to India has increased the demand for silver very materially, and the silver is bought up before it comes to this country at very advanced prices.

Does any gold come from India?—Some gold came from India during the war, but none since; on the contrary, gold is sent to India, even the sovereigns.

Is there any evidence of a diminished supply of silver?—That I am not prepared to answer with confidence.

Do you mean to state to the Committee, that the price of the two precious metals taken together, and as exchanged for all other commodities, has increased in the European market?—I did not say taken together, nor am I prepared to say that, but the price of gold decidedly.

If the price of the two precious metals were to be increased, as in exchange for other commodities, would not that be, in other words, to say, that they commanded a greater quantity of other commodities, and that the prices of other commodities were lowered?—Yes.

Do you believe that to be the fact?—I think if one is so, the other must be.

Do you know, from any other sources, whether the general prices of commodities throughout Europe have fallen within the period of the restriction?—No, I should not think they have fallen.

Have they risen?—I believe they have.

How far do you think the establishment of peace has produced an increased demand of circulating medium on the continent for commercial transactions?—I am apprehensive that a good deal of English capital has gone to foreign countries.

Do you conceive it has generally increased, to any considerable degree, the demand for the circulating medium?—I am not aware from what other sources any very great increase could be derived.

The question is, whether the demand for circulating medium for commercial transactions has considerably increased since the peace?—In proportion as trade has revived, there must be a greater demand for capital of course.

Do you consider that that increased demand of circulating medium, has occasioned an increased competition for the purchase of the precious metals?—I cannot doubt it;

*Jeremiah Harman,
Esq.*
(16 February.)

it; but I believe there is a cause which has operated much more strongly, and that is, the revival of a habit, which the Powers on the continent have generally resorted to of making a habit, of purchasing for the purpose of locking up large quantities of the precious metals; we know that Prussia has done that; we know that Russia has also made large purchases, though not perhaps for the purpose of locking up; Austria has done the same, and so have the minor states of Germany.

You were understood to state, that from authority you thought good, the total quantity of gold estimated to be imported from South America, between the year 1790 and the year 1812, did not exceed about two millions sterling; does that comprise gold exported from South America in the way of trade, or is it confined to gold transmitted to the Spanish and Portuguese governments direct from the mines in South America?—All sent from South America.

You have stated your opinion, that in the event of the resumption of cash payments, a sum of about twenty millions of gold currency might be necessary, in addition to the stock possessed now at the bank, to carry on the commercial and other operations of the country; and that you think, as a merchant, it would be impossible at present to obtain that quantity for the use of this country; is the Committee then to understand, that it is your opinion, that in point of fact the quantity of gold which was supposed to have circulated in this country, prior to the year 1797, could not be obtained for the use of the country at present?—I have no hesitation, as far as my opinion goes, in saying it is impossible in the present posture of affairs.

Can you name any future period when, according to all probability, you think such a quantity might be obtained?—No, it is more than I can undertake to say; it will be a work of some time, and it must be the result of a combination of very favourable circumstances.

You have stated, that a general scarcity of gold exists upon the continent of Europe; has not the exportation of gold from this country, and the diminution of gold currency in Great Britain, since the year 1797, necessarily had a tendency to increase the quantity of gold possessed by every other power in Europe?—One would presume so, and yet it does not appear.

You have stated, that the effect of the investment of British capital in foreign loans has been, to produce an unfavourable course of exchange to this country; do not you know, from your practical experience in Holland, that it has been a very general practice amongst the capitalists of that country, to invest portions of their property in loans in England, France, and elsewhere?—Undoubtedly; but I cannot consider them as parallel cases, because the Dutch had little or no debt of their own, and we have a debt of eight hundred million.

Has the investment of Dutch capital in the loans of foreign nations had a tendency to turn the exchange against Holland?—If they have sufficient capital to embark in them, without prejudice to their own establishments, whether commercial or otherwise, at home, that might not be the result; but I do not conceive that is our case.

Are the Committee to understand, that this country does not possess capital enough to invest in foreign securities, without creating that injury to this country which, from your statement, you seem to think does not apply to Holland?—When I alluded to the inconvenience that resulted from British capital being invested in foreign securities, I referred chiefly to the unfavorable effect it had upon the general balances between this country and foreign countries, with reference to the introduction of gold; but I humbly conceive, there are other very strong objections to it, which it is not necessary for me to state now; that it has the effect of unsettling the exchange, is most certain.

You have stated, that it is your opinion that the rise in the exchange, in the spring of the year 1816, and during the period of about fifteen or sixteen months afterwards, was produced by forced operations and that it was not a natural cause?—I did say so.

Can you inform the Committee, whether the individuals who produced that forced state of the exchange, were individuals who were known to be concerned in foreign loans?—The foreign loans did not exist at the times alluded to. The gold was imported before there was any rumour of foreign loans.

What was the object of those individuals, in forcing the exchange into that unnatural state?—I do not think we need be long in discovering what the motive must have been; this motive was profit. I am confident that the exchange was higher than it would have been, but for these operations.

Do

Jeremiah Harman,
Esq.
(18 February.)

Do you think it possible for any combination of individuals to keep up the exchanges beyond their natural level, during an uninterrupted period of sixteen months?—I think, under the same circumstances, decidedly, or I must be obliged to acknowledge myself wrong in the evidence I have given.

Can you explain to the Committee on what grounds you entertain the opinion, that as much gold and silver would be required in the circulation as if no one or two pound notes circulated?—I do not think I went so far as that; but I think so, because the bank not having paid in gold, makes a very material difference; the restriction having taken place makes a very material difference. We shall not be so advantageously circumstanced when the bank opens, as we should have been if it had never shut; and therefore it will be incumbent upon us for our own safety, as well as the good of the public, to have a greater reserve than would have been necessary under other circumstances.

The question is, as to the general effect for a long period together, looking forward for years, do you consider as much cash would be necessary as if the one and two pound notes did not exist?—If we could flatter ourselves there would be a continued course of peace, and no untoward circumstances, by degrees confidence might be restored, and our alarm gradually subside; but that must be, I conceive, a work of time, for the reasons I have given.

What reason have you for thinking there would be less confidence in the one and two pound bank of England notes, than in the five pound notes; and why less confidence when the bank pay in gold, than when they do not pay in gold?—When the bank does not pay in gold, the question does not occur; and with respect to the other part, namely, why there would be a greater demand for gold for one and two pound notes, than for five pound notes, I would beg to put the five pound and the one and two pound notes very much on a footing; and I should say, the reason is, they are in a greater number of hands, and they are held by that class of people who probably would take the alarm first.

Is it not perfectly acknowledged and notorious, that there is no want of confidence now in the one and two pound notes, always waving the question of forgery?—There may be no want of confidence in the one and two pound notes; but there is a very great desire to exchange them for gold, and that for the purpose of selling the gold, which they get at a low price, at a high one.

When you state the probable amount in circulation, previous to 1797, at twenty millions, did you include that quantity of the precious metals, circulated in Ireland?—I certainly did not mean to include that; my opinion is, that the amount is under-rated at twenty millions; whether it is twenty or twenty-five, in my view, does not materially affect the question.

Are you aware, that notes as low as one pound, were permitted to circulate in Scotland, for many years before they were issued in England?—I know perfectly well, that there was scarcely any other currency.

Can you state whether there was any large portion of gold circulated in Scotland, in concurrence with the one pound notes?—A very small portion.

If then, a very small proportion of gold circulated in concurrence with notes of a low denomination in Scotland; is there any difference in the circumstances in which England would be placed, to make it probable that a similar effect would not be produced in England?—I think a very great difference; because in England we had a metallic currency; in Scotland they had not.

In England, had we ever a currency of gold that circulated at the same time with bank notes of a lower denomination than five pounds, before the restriction?—Certainly not.

Nor ever since?—Occasionally since; for a long while after the Restriction Bill there was an abundance of gold circulating with our one and two pound notes.

You have stated, that there was the greatest indifference about gold in the year 1816; would not the same indifference, or rather a preference for the notes of the bank of England, exist under similar circumstances?—No doubt about it.

Then supposing one pound notes to be continued by law, both in the issues of the bank and in those of country banks; would not the demand for gold, for the purposes of internal circulation, be very limited indeed, so long as the exchange continued favourable?—Reasoning from what has been, to what may be, there is no doubt whatever of it.

Was not the habitual state of this country, so long as the bank continued to pay in cash, one in which the exchanges were either favourable, or so near favourable, as

Jeremiah Harman,
Esq.
(28 February)

to prevent any considerable drain upon the bank for gold?—In time of peace, and without any alarm.

In point of fact, was there any considerable demand for gold, between 1783 and 1795?—I am not aware that there was.

Was not the drain upon the bank, which preceded the suspension of cash payments, in 1797, occasioned by an alarm, unconnected with foreign expenditure?—Unconnected perhaps with foreign expenditure, but it was during a time of war; the exchanges were not then unfavourable.

Do you recollect whether there was any great fall in the prices of goods generally in this country, corresponding with the rise of exchange in 1816-17?—I believe there was a very considerable fall in the price of produce at that time; there was a good deal of commercial distress; but it was commercial distress rather in the provinces than in London; there were failures of several country banks, that created an alarm, and also withdrew the capital and assistance which had been afforded to persons to make purchases of grain in particular.

Was it not the effect of the failure of country banks, greatly to diminish the circulation of the country, and also to occasion a diminution of the accommodation afforded by the country banks?—The diminution of accommodation, in my humble opinion, was rather felt by country gentlemen and the agricultural interest, than by merchants and persons in trade; at that time, not five thousand pounds could be raised upon the best estate in the kingdom by way of mortgage.

Do you mean to state, that the distress was experienced in all the internal transactions of the country, and not in its foreign trade?—I think it was much more felt in the first than in the last.

The failure of the country banks, in point of fact, greatly diminished the circulation?—It rather lessened confidence; I should doubt whether the effect was so great as might be supposed; it was rather a diminution of confidence, from alarm.

If one-fourth of the country banks either failed or withdrew from the business, and the remainder greatly diminished the amount of their circulation, there must be a great diminution of the circulation of the country banks?—There can be no doubt there must have been a diminution; I do not know to what extent.

Does not the want of confidence tend to diminish the amount of paper in actual circulation, by inducing London bankers as well as those in the country, to hold a greater number of the notes of the bank of England?—Yes; and it would equally be the case if their reserve was in gold instead of bank notes.

You have stated that the amount of circulation in the country will depend on the number and amount of those transactions; does not it also depend upon the state of credit, and on the methods which have been resorted to for economising the use of money?—Certainly; but I have sometimes thought the last has been over rated, but that is a matter of private opinion; I think greater stress has been laid upon that economical use of bank notes than really is proved by the fact.

Does not a want of confidence tend to frustrate the facilities derived from this economical use of money?—If an amount is withdrawn in one quarter, and the wheel is to go round, there must be a supply from another, or there will be distress.

What is the indication of there being circulation enough in the country, neither too little nor too much, and what the regulator that determines that sufficiency?—If it is meant to allude to discounts, I should have only the old answer to give; undoubtedly good paper being sent into the bank, for discount of which we must judge the best we can, that is the criterion; I take for granted that established houses of good character would not come to the bank to pay 5 per cent. for money, if they did not want it.

You consider that criterion to be adequate, whether the restriction exists or not on cash payments?—Yes, I do; but the question is not quite so simple during the restriction, for our advances are of a mixed nature; we have advances to government as well as advances to the merchants.

You had always advances to government?—Yes; but nothing like the amount we have had since the war; that must be obvious.

It appears that on the 25th of August 1793, the advances made by the bank on government securities amounted to £ 11,684,000, and the amount of notes in circulation the same year appears to be about £ 11,349,000, so that in fact the advance at that period exceeded the whole amount of issues; at present the whole advance is £ 23,000,000, and the issues amount to £ 26,000,000; has the same criterion been applied in both these periods?—With respect to the former period, not having been

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in the bank, I do not know what the motives of the then directors might be; I think it makes a material difference, with regard to our independence, whether our advances are on government securities, or on commercial bills.

In the view of maintaining a sufficient circulation, is it not immaterial whether the issues of the bank are made on government securities, mercantile discounts, or for the purchase of bullion?—I think it is very indifferent, provided the security is good, upon what deposit it is if the amount be the same.

There being no other difference than the facility, greater or less, of contracting or enlarging that circulation?—Yes; while it exists the effect must be the same, unless we can suppose that it is not active in the hands of government, which I cannot.

You were asked what you conceived would be the effect of a gradual diminution of issues, at the rate of £ 100,000 a week, and you stated, that in your opinion it would be very desirable to make the experiment; supposing this experiment to be made, and the pressure arising from such a diminution to become too severe, might not that system be suspended or relaxed without material inconvenience, and then resorted to again as the pressure diminished, so as to operate a diminution within some certain period gradually and nearly as equally as possible?—I understood the question to be £ 100,000 per month, not per week, and under that impression gave my former answer; whether it would be wise to say we will diminish a given sum or not, will admit of a question; but if that experiment were to be made, and it was found to press too much upon the mercantile interest, or the accommodation of the public generally, I presume the merchants would come to us for fresh discounts, and that in discounting their bills we should check the inconvenience that might be expected; I boldly assert, that the directors of the bank would feel it their duty to do every thing they could, short of distressing the public, in order to bring about that most desirable object, the opening.

You have stated that you consider the exchanges have been turned against this country in 1817, solely by the effect of the remittances of British capital to foreign countries, for the purpose of investment in the loans?—I believe that was the great cause of the depression of the exchanges then, the extraordinary cause; they were, if I may so say, in a torpid state, before there was very little doing in them.

Then whenever the effect of that operation shall cease, do you apprehend the exchanges will again become favourable to this country?—That must depend on other circumstances; whenever the balance is in favour of this country, the exchanges will indicate it; I always hold to that.

You were understood to say, that the distinction between this country and Holland, as to the effect of vesting money in public loans, was that in Holland they had not a great public debt; in what do you conceive the debt of this country operates unfavourably to the exchange?—If English capitalists are induced to sell out of our own funds in order to transfer the money to the funds of foreign countries, I think that cannot but operate unfavourably, particularly where the balance is in other respects, as I contend it was, against us; to use a familiar phrase, it makes bad worse. I do not apprehend that was the case in Holland at the time alluded to; I do not apprehend that the exchanges with Holland at the periods referred to were against them.

Are you of opinion that it makes any difference in the effect upon the exchange, whether the capital invested in foreign loans be withdrawn from the public stocks in this country or from any other source?—Yes, I think it makes a very material difference; for that it is desirable that the money of Englishmen should be invested in British securities none can dispute; I think it affects the exchange of this country unfavourably, because it is already against us, and therefore as with reference to the opening, that we cannot afford it; the Dutch could afford it.

Supposing the advances to government to be repaid, to the extent which the bank itself would require, what are the other circumstances, the concurrence of which is in your opinion necessary for enabling the bank to resume cash payments, with safety to itself and to the public?—A favourable exchange, and that for so long a period as to induce a confidence in its continuance, and to enable us to procure a sufficiency of the precious metals.

Is it possible, in your opinion, to foresee the probable concurrence of those several circumstances, so far and so confidently as to be enabled to fix beforehand any specific period at which the bank shall resume cash payments?—That is a question that I should answer with very great diffidence indeed, considering the situation I hold as director of the bank. I perhaps may be permitted to say thus much,

that

*Jeremiah Barnes,
Esq.
(18 February.)*

that fixing a period, and not adhering to it, always creates a great deal of dissatisfaction and disappointment in the public mind. I have already given it as my opinion, and I have no reserve in repeating it, that the idea of opening in July appears to me to be quite out of the question. What further time may be necessary must depend on circumstances not under our control; but we always look on the bright side of things.

Is it possible, in your opinion, to fix beforehand the period?—I do not think it is possible to fix any period at which the thing may be realized with certainty.

Is any one of the circumstances, the concurrence of which is necessary for the purpose, capable of being produced, or accelerated, by any process or mode of conduct on the part of the bank?—There can be none possibly, unless it be in regulating, by which I mean reducing, the amount of their issues. We have already seen twice, that attempts of that nature were productive of more harm than good; and I am not bold enough to say, that the same course might not again produce the same effects.

Is it then your opinion, that we must wait patiently for the concurrence of these necessary circumstances, and then decide upon the expediency of profiting by it, for the purpose of resuming cash payments?—As far as my humble opinion goes, and according to the experience I have had, I am certain, that to attempt to forward the resumption of cash payments, by any operations upon the exchange, would be in vain. As it has been hitherto the custom to look forward to some period, provided it shall be determined that the restriction shall be continued, it would on the whole be more advisable to proceed in the same course, than to extend it to an indefinite period, which might have an unpleasant effect upon the public mind, and on credit generally.

Were the different circumstances which have been enumerated, with the exception only of the repayment of the advances of government to the bank, in operation for a period of about sixteen months, in the year 1816-17?—No, I do not think they were, for the reasons I have already given, that it was a forced operation. Gold came into the country, but we could not retain it.

Supposing the advances to government to have been at that time repaid, the exchange being, as it was, favourable, you are of opinion that the resumption of cash payments could not have been safely determined upon at that period?—If it had not been for the financial operations upon the continent, and we could suppose that the balance of trade was favourable to this country, it is very possible then that the bank might have opened with safety, always understanding that that state of things should continue; but if I am right in what I have laid down, that a much larger amount of gold is necessary, to open with perfect security, than the bank or the country possessed at that period; then it must still be an experiment, I had almost said, of considerable hazard.

You have said, that the favourable state of exchanges, at the period last referred to, was in a great degree the consequence of forced operation; how long a continuance of a favourable state of exchanges would, in your opinion, be sufficient to ascertain that that favourable state of exchanges arose, not from forced operations, but from naturally operating causes?—I cannot venture to say how long a period may be necessary to prove that. I was convinced at the time which has been referred to, that there could not be, in our relative situation with other countries, or the state of our trade, any reason why the exchanges should have risen so high as they did, and therefore, I had always my jealousies about it, though I was extremely glad to receive the gold into the coffer of the bank.

Would a continuance of that state of things for sixteen months, you not having reason to suspect the favourable rate of exchange to be the consequence of forced operations, justify, in your opinion, the resumption of cash payments?—That must entirely depend upon the state of the trade of the country, and whether the balance was favourable or not.

Can you form any estimate of what sums are likely to go from this country, to fulfil any engagements made for the purposes of foreign loans?—Having no connection myself, either directly or indirectly, with any thing of that nature, I may find it difficult to answer that, but I am very well convinced the amount is large; there have been great pains taken to induce persons to sell their English stock, and to invest it in French, in Prussian, and in Russian.

The question refers to the loans existing?—I have no means of estimating the amount, and perhaps the uncertainty may make it appear more formidable than it really is.

When

When you speak with so much alarm upon the subject, you must have some idea of its amount?—I am convinced it is large; but I allude to the remittances on account of individuals who are investing.

*As much Harmas,
Esq.
(16 February.)*

When you speak of a large amount for loans, what idea do you affix, in point of sum, to the expression, large: what would you call a large sum, contracted for by individuals in this country, for the purpose of supplying foreign loans?—I should call millions, large.

How many millions?—I should call three, four, or five millions, large.

Are the bank in the habit of purchasing any gold now?—No.

If the bank wished to purchase gold, would they have any difficulty in procuring it, at the price of the day?—We should have great difficulty in procuring and retaining it.

You would have no difficulty in purchasing it?—I cannot answer that unqualifiedly; I think we might have difficulty in purchasing it.

If it were announced that the bank would purchase all gold brought to them without reference to price, do you doubt that gold would be then offered to you?—I dare say it would be, if the price offered were sufficient, for they would have no doubt of having it back again soon.

Then the purchase of gold is merely a question of expediency and expense to the bank?—The bank has never considered the price of gold as regarding expense to themselves.

The bank wanting gold, and gold being to be had at a certain price, what is the motive which operates upon the bank for not purchasing gold?—The reason we do not purchase gold now, is, that there is scarcely any in the market, and what little there is, is bought up by the trade, therefore for us to go in and make a competition, according to my views of propriety in the management of affairs, would be making bad worse.

But when the bank is understood to be constantly in the market as the purchasers of gold at the price of the day, would not that necessarily bring gold into this country for the purpose of being sold to the bank?—I have no doubt at all, that if we were to offer an extravagant price for gold, it would be brought into this country.

Supposing, that in consequence of that extravagant price, as much gold had been brought into the country, as would supply the sum contracted for by individuals in this country to meet their engagements with foreign loans, say four or five millions, would not then the inconvenience arising from foreign loans to that amount be obviated?—To the extent mentioned, unquestionably; but I can see no reason why the bank should act imprudently to facilitate and encourage speculation, so injurious to the country.

What are the inducements to individuals in this country, to divert their capital from the purposes to which it is now applied, in order to vest it in foreign funded securities?—Gain.

In what way is gain realized?—They may be disappointed; it may be gain or loss; but the gain, if there be gain, is realized either in their selling their stock, or getting a larger amount of interest for it.

Which do you consider the prevailing object of gain is speculation, the increasing the amount of stock, or the positive amount in the advance of interest?—There is, at this moment in London, almost as much jobbing in the French funds, as in our own, among that class of persons, I presume it is for the selling again; but there is another class whose incomes are limited, and who have been taught to know, that by selling out their English stock, and investing in the French funds, they will get a larger income; I am very apprehensive indeed, that that has increased, and is increasing.

To the latter description you allude to, do you not think that as the French funds increase in price, if our funds should diminish in price, the inducement to go into foreign funds will diminish?—For the moment, it might; though I am not sure that it would with the last class to whom I have alluded, for I believe there are a great many have gone there for a larger interest on money, therefore I think it is more than probable they would retain what they have, be it more or less.

Must not this effect be produced, that if money be sold out of the English stocks, to be invested in the French stocks, one would fall and the other would rise, and does not that tend to equalize the interest, and to reduce the temptation individuals in this country have to embark their capital in foreign funds?—In the events supposed, namely, that the one is to rise and the other to fall, it would have that effect to a degree.

Archibald Herman,
Esq.
(18 February.)

The present price of gold in £. s. d. is it not?—Yes.
Supposing the bank were to be opened to-morrow, would the opening of the bank, in that state of the price, facilitate or discourage the sending British capital out of the country to be invested in foreign securities?—It would facilitate it, inasmuch as they can make a more advantageous remittance.

Mercurii, 17^a die Februarii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

WILLIAM HALDIMAND, ESQUIRE,

Called in; and Examined.

W. Haldimand,
Esq.

DO you conceive that it would be practicable and safe for the bank of England to commence its payments in cash on the 5th of July next?—I do not conceive that it would be practicable and safe for the bank of England to commence its payments in cash on the 5th of July next.

What combination of circumstances should you consider necessary to enable the bank of England to resume its cash payments within the period of twelve months?—I consider that the bank must have a much more considerable portion of its notes under its own control than it has at present, before it can ever resume its payments. My opinion is, that a sum of from eight to ten millions sterling should be repaid to the bank, on the part of government, supposing the public balances to remain without any considerable decrease in amount owing to such repayment.

Do you mean, eight or ten millions in addition to the repayment which has already taken place?—I do. I conceive it to be necessary for the bank of England to reduce the amount of its notes in circulation to the extent of three or four millions forcibly. By the term 'forcibly,' I mean a reduction, not arising from three or four millions less being demanded, but from three or four millions being demanded, and refused by the bank to the public and the government. I look upon this forced reduction of the issues of the bank of England, as necessary, in order to restore the rest of the paper in circulation to its ancient value in gold, and the exchanges to par. I have no hesitation in stating it to be my decided opinion, that the exchanges would be restored to par immediately the bank resumed its payments. I think the depressed state of the exchanges arises entirely from the excessive issue of bank of England notes. I have never heard of any country not paying its paper in specie on demand, where such paper has not been depreciated; the very act of suspension of payment in specie, proves depreciation.

In order to produce the effect which you have anticipated from what you term a forcible reduction of the issues of the bank, would it, in your opinion, be necessary that that reduction should be sudden, or might it be gradual?—In my opinion, every possible disadvantage and inconvenience to the public would arise from a sudden reduction; I should certainly recommend its being gradual.

Supposing that on the repayment by the government of a million, the bank were to extend its issues, by means of discount, to the amount of £. 600,000; the consequence would be, that on the repayment of the ten millions, which you conceive necessary, there would be an extension of issues, in the way of discount, to the extent of six millions, which would have the effect of making a gradual reduction to the extent of four millions in the total amount of bank notes in circulation; would the effect you anticipate, be produced by such an operation?—It is impossible to say, with any degree of precision, what amount of forced reduction might be necessary, in order to produce the desired effect upon the exchanges, and bring the market to the mint price of gold. I have stated, from three to four millions, as the amount that I conceive would produce this effect; but this would depend very much upon the state of the trade of the country at the moment. The plan of enlarging the commercial discounts at the time that government repay the bank, somewhat in the proportion stated in the question, appears to me to be very desirable. It would palliate the evil to the commercial world, and at the same time, would place a larger disposable amount of paper at the command of the bank, which I consider to be absolutely necessary when cash payments are resumed. That portion of the issues of the bank

bank made upon government securities must be considered as fixed capital, or at any rate, as inapplicable to the purposes of immediate increase or diminution.

You are understood to say, it is your opinion, that the foreign exchange, and the price of gold are principally affected by the amount of issue of paper currency?—That is my opinion.

W. Walmsley,
Esq.
(17 February)

By paper currency, do you mean to include the circulation of country bank paper, or do you speak of bank of England paper only?—I think country bank paper is issued upon the foundation of bank of England paper, as bank of England paper used to be issued upon the foundation of our gold and silver currency: whenever country bankers have exceeded a due proportion, the evil has reverted upon themselves, as was the case in 1814. I state this as my opinion, in which, however I may be wrong, as I have no particular information upon this part of the subject; I conceive it to be very possible that, in times of great prosperity, country bank papers may encroach upon the proportion of the issues of the bank of England, and may in this manner force a greater amount of the notes of the latter into circulation. This sort of action and re-action may probably take place, as I have before said, in moments of great commercial prosperity.

From July to December 1817, the average amount of bank notes in circulation was £. 29,210,000. From July to December 1818, it was only £. 26,487,000, being a reduction to the extent of nearly three millions, upon a circulation of twenty-nine millions. In the former half year, gold varied from 3*l*. 19*s*. to 4*l*. 0*s*. 6*d*. an ounce; the exchange with Paris was about 24. 40.; in the latter half year, in which the reduction took place, the price of gold rose and varied from 4*l*. to 4*l*. 3*s*. and the exchange with Paris became more unfavourable; how do you reconcile these facts with your theory?—Because the smaller issue was comparatively speaking a larger amount, in proportion to the real amount of circulation required by the country; I never look upon the numerical increase or decrease of the issues of the bank, as my criterion at all.

What reasons have you for believing that the circulation for the last half year bore a greater proportion to the supply required for the purposes of trade, than the circulation of the half year of 1817?—Because the paper was more depreciated at one time than at the other, or in other words, because the market price of gold was higher at the former than at the latter period.

Do you consider the price of gold to be the chief criterion by which to judge of the excessive issue of bank notes?—I do.

Was there, in the last half year, a less demand for discounts at the bank of England than there was in the year 1817?—I must beg to refer the Committee to the directors of the bank for an answer to this question; I am not in the direction this year; I am out by rotation; I am not however aware of the bank having issued its notes upon any new principle.

Supposing for a period of six months, (or in order to give full time for the operation of the supposed cause,) a period of twelve months, there was an increase in the numerical amount of bank notes, and, for the same period, a fall in the price of gold, and a gradual improvement in the exchange, from such a combination of circumstances, should not you draw this inference, that during that period the amount of circulation had not been excessive?—I always consider bank of England notes as excessive in amount, when I see the exchanges more under par than the difference would arise from the transmission of specie or bullion from this country to others.

From the month of March 1816 to the month of July 1817, which comprises a period of sixteen months, the exchanges were in favour of this country; during that period there was a progressive and regular fall in the price of gold, from 4*l*. 2*s*. to 4*l*. 1*s*., 3*l*. 19*s*. 6*d*., and ultimately to 3*l*. 18*s*. 6*d*.; from these circumstances do you infer that during that period there was not an excessive amount of bank notes in circulation?—The excess could not have been great, or most probably there was no excess at all at that moment; the price of gold remaining above the mint standard arose probably from the large purchases that were made at that time by the bank.

If the bank had not been a considerable purchaser of gold at a fixed price, is it not your opinion that the price of gold might have fallen below the mint price?—It is my opinion, that it would have fallen a trifle below the mint price.

Then, as it was only prevented from falling below the mint price by the extraordinary operations of the bank, and as you consider the price of gold to be the best criterion of the excessive issue of bank notes, do not you come to this conclusion

that

W. Falkland,
Esq.
(17 February.)

that, during the period referred to by the question, there was not an excessive circulation issued by the bank?—Most probably there was no excess in the amount of circulation.

Would not the effect of a reduction of the circulating medium be a fall in the prices, and a reduction of the nominal amount of all income derived from the sale of commodities?—Certainly.

Can you calculate, with any tolerable accuracy, the amount of such reduction, supposing such a diminution of issues were now to take place as would reduce the market price of gold to the mint price?—About 6 per cent, or the present difference between the market and mint price of gold.

Have not the loans since the year 1797 been raised in what you consider a depreciated currency, and would it not be necessary to continue to pay the same amount of interest to the public creditors in an improved currency?—Yes; and that class of persons I conceive would be benefited by the restoration of the currency to its ancient standard.

Then for the purpose of paying the same amount of interest to the public creditors, it would be necessary to raise the same nominal amount of taxes?—For that portion of the expenditure of the country.

And as these taxes would have to be raised from that class of persons whose nominal income had been diminished, would not they operate as an increased burden?—What the annuitants, stockholders, and all the servants of government, with fixed salaries, gained, would, in my view of the case, be lost by the rest of the community.

How do you conceive this reduction would affect that portion of the public expenditure which does not arise from payments to the public creditors?—Prices would be lower, and it would not be necessary therefore to raise the same nominal amount in taxes; I am aware however that this portion of the expenditure is trifling compared with the other.

What do you think would be the effect of this reduction of prices upon the general commercial transactions of the country?—As most merchants hold more goods than they have paid for, whenever the currency is restored to its ancient standard, all goods bought on credit, and not paid for, would be resold at a less favourable rate by about 6 per cent.

To the amount of 6 per cent?—Yes; and independently of this loss, I think there would be great distress occasioned in the commercial world, by the forced reduction to which I have alluded; prices cannot be lowered forcibly without producing very great mischief in trade; we should all feel the effects of it, some directly and others indirectly. I express myself rather strongly upon this point, because I happened to be in Paris in October last, when the bank of France reduced its issues upon discounts very considerably and suddenly; the distress and failures that took place in consequence of this measure, went much beyond what any merchant would have anticipated. The issues of the bank of France upon discounts at that period were 130 millions of francs, which was more than double the highest amount that was ever previously known. I believe the discounts usually ran from 25 to 35 and 40 millions. This step on the part of the directors of the bank of France was occasioned by the following circumstances: the metallic currency was leaving the country in every direction, owing in all probability, in some trifling degree, to the over issue of paper; partly to some large financial operations in Russia, and partly to the enormous payments that France had engaged to make to foreign powers, which amounted nearly to 20 millions sterling. The Paris bankers, therefore, anticipating a great demand for bills upon all foreign countries, were remitting specie to meet the drafts which they intended to negotiate to the agents of all those foreign powers, with a small advantage upon their remittance. The sudden diminution however of the discounts of the bank, caused the exchanges to turn in favour of France, and immediately paralysed all these operations; the metallic currency made a retrograde movement, and was restored to Paris, and in those parts where the greatest distress had been felt. I have stated these circumstances thus minutely, because I think them perfectly applicable in reasoning, although not in extent, to the case of the bank of England; and I have brought with me a statement, showing the rates of exchange between France, Hambro', Amsterdam, and Frankfort, before and after the reduction of the issues of the bank of France.

Do you happen to have a copy of the report made by the directors of the bank of France to the proprietors?—I had a copy of the report, but I have delivered it into the Committee of the House of Lords. However, in the speech of the governor

of

of the bank to the proprietors, he lays great stress upon that easy and natural expedient which had been adopted for the purpose of restoring the metallic currency to the country.

What was the ordinary amount of issues of the bank of Paris?—I do not know; at that time the total amount of the issues of the bank of France was one hundred and sixty millions of francs, and the public had credits in their accounts current for 52 millions; I think the lowest amount of specie was 37 millions. Had not the bank of France resorted to this measure it would, in my opinion, have been compelled to suspend its payments.

Can you state to what extent the reduction took place from the increased amount of issues?—I am not aware of that, and the report does not state it, but it says that the reduction had been sufficient to produce the desired effect upon the exchange.

Do you know whether the increase of issue upon discount was extremely sudden, and whether the reduction was sudden also?—The increase and the reduction were both very sudden; the great increase I believe took place in June, July, August and September.

Can you tell in what manner they effected a reduction?—In a manner that appeared to me very sensible and well adapted to the purpose; it diminished the number of days date at which bills should be discounted from 90 to 60, and finding this not sufficiently effectual, it further reduced the term to 45 days.

Forty-five was found effectual?—It was.

Notwithstanding these wise precautions of the bank, a reduction of their issues on discount produced great embarrassment and distress at Paris, did it not?—Yes, it did; but I still hold it to have been a wise measure.

What do you conceive would have been the alternative?—I conceive the bank might have suspended its payments.

Does not the circulation at Paris depend much less upon the bank of France than the circulation of London does upon the bank of England?—Considerably less; there is a large quantity of specie in circulation.

Therefore the same proportionate reduction in the amount of discounts made by the bank of England with the same suddenness, would have produced a much more prejudicial effect upon the commercial transactions of this country than the reduction of the bank of France did upon the commercial dealings of that country?—I imagine much more; but I cannot conceive it possible that it should ever be necessary for the bank of England to decrease its issues in that proportion, and so suddenly.

Can you state, whether the distress that was thus occasioned by the suddenness of the reduction of the issues of the bank of Paris was relieved by the return of cash occasioned by the reduction of their discounts?—It was very much relieved by the return of cash and the consequent increase of discounts again, to a limited extent; but it had ruined many houses, and embarrassed others.

Has the amount of discounts of the bank of Paris returned to the ordinary amount at which it may be calculated to have stood previous to the excessive issue to which you have referred?—I do not know what the amount of the discounts is at present; but I should think that it is very considerably under the sum I have stated, of one hundred and thirty millions.

At what date do they now discount bills?—Ninety days.

Is not the bank of Paris in the habit of issuing cash or paper in discounting bills, according to the option of the holder of the bill?—I have always understood so, otherwise there would occasionally be a difference between paper and gold.

Explain the nature of the demand for gold from Russia, to which you have referred in a former answer?—There was a profit of nearly 8 or 10 per cent to be made in sending gold from France to St. Petersburg; a profit upon the precious metals, in their transmission from one country to another, I believe before unheard of. When I was in Paris I sent two parcels, one of 300,000 francs and the other of 400,000 francs; there were corresponding sums sent by each carriage, by the two bankers with whom I undertook these operations. The expense of transmission was 1 per cent.

If there was a profit of from 8 to 10 per cent upon the transport of gold from Paris to Petersburg, can you state what the difference between the market price of gold at those two places was?—The Russian government gave out that they were going to reduce the amount of their paper currency. This created great speculations in the exchange, which rose 10 per 4 within a very few weeks; at the same time, to the surprise of every body, gold maintained its price nearly in paper

H. Robinson,
Esq.

(17 February.)

*W. Steadman,
Esq.
(17 February.)*

for a short period, I believe on account of the demand from the peasants, who have long been in the habit of hoarding the precious metals. When I state that the exchange rose 10 per cent, I do not mean to argue, that the paper in circulation in Russia had risen in value 10 per cent; but I do mean to say, that such effect was produced upon the exchange in anticipation of a further amelioration of the paper, and the exchange, if I may so express it, kept the lead of the real improved value of the paper. I have no doubt, but that the same effect would be produced here upon our exchanges, and that if the bank of England were to declare to-morrow that it would resume its payments in specie, the exchanges would immediately rise to par, or within a mere fraction of it, on the very first post-day, on which days alone bills are negotiated upon foreign countries.

Did not the government of Russia profess only to exchange a portion of its paper for coin?—The operations to which I allude are these: the government made two open loans at different periods; the subscription to the first amounted to 28 millions of roubles, and the last to 67 millions, the government engaging to burn the whole of the paper so subscribed, and for which the subscribers received 6 per cent stock.

Have the goodness to explain in what manner the party, who transported gold from Paris to Petersburg, realized his profit?—He realized his profit by receiving bills in return; the paper roubles having become more valuable, it of course represented a greater quantity of the currencies of all other countries.

Did this profit arise at the time that the bank of France had so considerably extended its issues upon discount, or did it arise when the currency of France was in its ordinary wholesome state?—I believe the profit to have arisen quite independently of any of the circumstances connected with the subject to which the question refers.

In the event of the restoration of the metallic currency to this country, do not you think it possible the same inducement might exist, or an inducement corresponding to that which existed in this case to export the gold coin from this country, for the purpose of realizing such a profit as that to which you have referred?—I consider that one country does export its coin to another, where it is more demanded than its produce and manufactures; but to this there is a limit in a natural and wholesome state of things. I do not see how Russia could find it her interest to absorb all the metallic currency of this country.

What operation did this demand for gold for Petersburg produce upon the metallic currency of France?—It caused a premium to be paid for gold in silver of 1 per cent, which is I believe the highest rate that has been given in France.

State what was the duration of the effect?—It is a curious circumstance to state, but there was a general understanding amongst the bankers, that no more gold should be sent to St. Petersburg when they saw the currency becoming so scarce.

You have stated, that you attribute the present high price of gold above the mint price, and the unfavourable state of the exchange, to the excessive issues of the bank of England, influencing thereby the general paper circulation of the country; have you any other reason for deeming the issues of the bank of England to be excessive, except that indication which you collect from the price of gold and the state of the exchange?—I never saw these effects produced by any other cause in any country in the world.

Is the Committee to understand your opinion to be, that a high price of gold and an unfavourable state of the exchange ought, in the discretion of the bank of England, to lead to a reduction of their issues, until that high price of gold or unfavourable state of exchange is reduced, if not to par, to that price above par which amounts to the expense of transfer of the precious metals from one country to the other?—I am decidedly of that opinion.

Is the Committee to understand you to be of opinion, that that is the true criterion for the bank to look to, whether the bank be open or shut?—It is, in my conception, the only criterion.

Is the Committee to understand, that the criterion which you consider as the only true and proper criterion, is a criterion applicable to the case of war as well as of peace?—I consider the same doctrine to hold good in the case of war as well as of peace.

In your examination you have stated, that you are of opinion that what you call the forcible reduction of the bank issues, necessary to correct the present inequality of exchange, would amount to about 6 per cent, operating as a charge upon all incomes not arising from fixed payments?—Operating as a charge of 6 per cent upon the taxes, supposing the same nominal amount to be raised.

You

You were understood also to state, that to effect that forcible operation, operating to the extent of 6 per cent, would produce upon the commercial world a great degree of distress, greater perhaps than the commercial world was aware of?—I am of that opinion.

W. Halstead,
Esq.
(17 February.)

Your attention is called to the price of gold as it stood in April 1815, it is quoted in the paper at 5*l*. 7*s*. the ounce; what extent of reduction, in your view, would have been necessary, in applying your criterion, for the bank of England to have made in its issues in April 1815, to reduce the price of gold from 5*l*. 7*s*. to the mint price?—I think I have already stated, that the amount of forced reduction required to restore the exchanges to par, and gold to the mint price, was, in my opinion, very uncertain; I cannot possibly guess what reduction would have been necessary at the period to which the question refers.

Do not you conceive it must have been necessarily much greater to force the price down about two-thirds of the whole amount, instead of to force it down 6 per cent.?—I should say that it would have been greater.

Does not it then follow, that the distress would have been greater?—I conceive the distress created by the operation would have been greater.

Are the Committee then to understand, that you held this to be the criterion that the bank of England ought to advert to, and by which its administration ought to be regulated, independently of any considerations of the effect in point of distress, that the operation of that principle will produce upon the commercial world?—I think it ought to be the criterion adverted to by the bank of England, in order to maintain the gold standard value of its notes.

Taking the amount of the bank issues upon their present scale, can you form any general estimate what proportion of the twenty-six millions is applicable to what you call local circulation, in London and twenty miles round, as compared with what is deposited in private banks, or in parts of the country where the bank paper occupies the circulation, as in Lancashire?—I cannot form any opinion upon the comparative amounts.

Have you heard no general estimate of it?—Never; I should think the amount very different at different times. When the trade of the country is in a state of prosperity, I conceive bank of England notes to circulate almost entirely in London. When there is a want of confidence, the issues of the country bankers must be more limited.

What proportion do you conceive the usual deposit of bank of England notes in the coffers of the private bankers, bear to the quantity of specie they used to bank upon?—I should think that they keep a smaller proportion of deposits by them now than they did formerly. Every day some new economy of money is devised.

Your attention is directed to the increase of issues of the bank of England, as comparing the years 1810 and 1818, which is to the extent of about six millions; had not the transactions of all descriptions that are carried forward in London very largely increased, between the periods mentioned; and, in your view, has not the increase of the transactions in itself necessitated an increased issue, independent of any consideration connected with the price of gold and the state of the exchange?—I do not think that the transactions in the city of London have increased more than is compensated by the increased economy in the use of bank notes.

Were not these expedients for economizing the paper circulation, in operation in the year 1810, that are now practised?—I do not allude to the clearing house in Lombard-street; but I mean to say, that every day we find new means of economy in the use of bank notes.

What amount of metallic currency, adhering to the amount in circulation previous to the Bank Restriction Act, and to the increase of the pecuniary transactions of the country since, do you conceive would be necessary to carry on the circulation of the country, when the bank should be open to cash payments?—If the bank did not withdraw its one and two pounds notes, I think that a very small quantity would be necessary. Bank notes, when payable in specie, will probably be preferred to gold, because they are more convenient for all the ordinary purposes of life.

Do you speak of the one and two pound notes of the bank of England only, or of the bank of England and private bankers?—My observation applies equally to the one and two pound notes of country bankers.

—Are you aware, that as the law now stands, the power of issuing one and two pound

W. Halpinand,
Esq.

(17 February.)

pound notes would cease, as with respect to the private bankers, at the end of two years from the opening of the bank?—I do recollect that circumstance.

Supposing it should not be thought expedient to continue to the private bankers the power of issuing one and two pound notes, what estimate would you make of the amount of currency then necessary for circulation in the country?—I never heard that any correct estimate had been made of the amount of the metallic currency of this country; but I should not think it necessary for the bank to make very large purchases of gold; the simple operation of the reduction of our paper issue would fill the country with gold. The government would be at the expense of coining it.

Supposing it would require an augmentation of the metallic currency to the extent of twenty millions, to be imported into the country for carrying on the circulation of the country, must not that arise out of the balance of payments due from foreign countries to this?—I think it is quite unnecessary that it should arise out of the balance of trade: I consider the currencies of all other countries to be merchandise to us.

What are you to give in exchange for those twenty millions the country wants?—If we reduce the amount of our paper currency, prices will fall, when it will suit us to exchange goods for the metallic currencies of other countries.

In January 1817, a notice was given, by the bank of England, of its intention to pay a part of its issues in cash: in September 1817, another notice was given, of a further and much larger payment in cash; in neither instance, do those notices appear to have had any effect upon the exchanges; how do you reconcile this fact, with the expectation, that a notice of a general resumption of cash payments, would produce so sudden and sensible an effect upon the exchange, as to raise it to par upon the first post day after the notice should be given?—The currency, both in paper and in metal, at that period, must have been excessive, compared with the amount of the currencies of other countries; it therefore suited us to exchange part of it against produce and manufactures; at the moment that the bank issued the sovereigns, it should have reduced the quantity of its paper.

You are of opinion, then, that those partial openings failed of effect, because the bank did not simultaneously contract their paper issues, and not because a partial opening would in no case have any effect whatever?—In my view of the subject, a partial opening will always fail, unless the whole currency of the country be previously reduced in amount, so as to restore it to the standard of the metallic currency thus partially issued.

Of that restoration, you are understood to admit no other test, than the favorableness of exchange and the reduction of the price of gold to the mint price?—I know of no other test.

At the time of the first notice, above referred to, the exchange was above par, and at the second, but little below it; how would you then explain your opinion, that the circulation was excessive at both those periods?—The effect upon the exchange was, I conceive, counteracted by the very circumstance of the metallic currency leaving the country. It must, however, have fallen a little below par immediately after the sovereigns were issued; otherwise they would not have left the country. It is impossible to account for every momentary fluctuation in the exchanges. The Committee are probably not aware of the extent of the daily gambling on the paper pound sterling. The extraordinary variations to which it has been subject, for many years past, has excited the attention of all gamblers and speculators in trade; and it has thus been influenced as much by exaggerated hopes and fears, as the prices of our national debt. I will allow, therefore, that the price of the paper pound sterling, as marked by the exchange, has not, from day to day, shown the exact extent of the depreciation; but reckoning, that as many speculations upon it have been grounded upon the rise as upon the fall, and taking a certain period, for instance, six months, the average rate of exchange of that six months, compared with the metallic par, would, in my opinion, give you the approximate extent of the depreciation. I will state to the Committee, what the greatest foreign gambler in the world observed to me, when in London, about six months ago, upon seeing a letter which my house had written to a correspondent abroad, containing an order for the purchase of silk, in which the price of the silk alone had been limited. "What!" said my friend, "Mr. Halpinand, you have limited the price to be paid for the silk, and not the exchange; if you had limited the exchange, and not the price of the silk, I should not have been so much surprised." The fact is, that he thought the price of the paper

paper pound sterling here, more subject to a fluctuation, than the price of the silk abroad.

When was this?—Some months ago.

You have described the favourable state of the exchanges in 1816 and 1817, to have been the consequence of a forced operation; there are therefore other causes, besides the excess or reduction of the issues of bank paper, which produce fluctuations, and for a time at least, a favourable rate of exchange?—There are other causes which produce fluctuations in the exchange for a time, such as the speculations or gambling upon the probable future value of the paper pound sterling, which I have just described.

Are there any, and what indications, other than that knowledge of private transactions which must necessarily be confined to few individuals, which would detect the difference between a forced and a genuine favourableness of exchange?—The forced operation would produce the same effect as a genuine exchange, but I do not think it possible to keep the exchanges constantly, either high or low, by such operations; probably within a given period, as many forced operations would take place in favour of a rise, as of a fall, upon our paper; and as I have before stated, the average of a few months would, in my mind, give us a pretty fair account of the real depreciations that have existed during such period.

Could such a forced favourableness of the exchange continue, in your opinion, for a period of fifteen months, or for any thing near that?—In all probability at the period to which the question refers, there was no depreciation of our paper currency.

Do you think it possible that, by any combination or speculation, the exchange could have risen from the price of 23 to the price of 25, and kept for any period of time at that exaggerated rate?—I consider that it could not have been kept up at that exaggerated rate for any great length of time.

When you were questioned as to the rate of exchange from the month of March 1816, to the Spring following, and when you stated that, during that period, you conceived the exchange to have been forced up by speculation, did you refer to that rise in the exchange which brought the rate at about par, or did you refer to that rise which carried the exchange as high as twenty-six?—I referred to the period at which I recollect the exchange upon Paris to have been forced up to about 26 francs, I looked upon it, at the time, as an artificial exchange.

Supposing it to be assumed that, under the resumption of cash payments, twenty millions of gold currency should be necessary for carrying on the pecuniary transactions of this country, do you believe, as a practical merchant, that it would be impossible to obtain such a supply of gold, as would be necessary to provide a gold currency to that amount?—If this country really possesses a larger capital than any other country in Europe, I do not see why we should not be able to command the convenience of a currency, partly of gold and silver; we must exchange some of our produce and manufactures for a certain portion of the metallic currency of every other state; if we reduced the amount of our paper circulation sufficiently, the precious metals would flow into the country from every direction; an act of parliament could stop the current.

Then, in point of fact, you are not of opinion that it would be impossible to obtain for this country, a metallic currency to the amount of twenty millions?—I think it would be possible to obtain twice twenty millions.

Then you are of opinion there is gold enough in the world, to furnish this country with forty millions of gold currency, if necessary?—I have stated the amount of forty millions, which I think could be obtained from other countries, if a very large proportion of our paper currency were withdrawn.

What do you think would be the effect of an attempt, on the part of the bank, to purchase a large quantity of gold at the time the exchanges were unfavourable?—I do not apprehend that it would produce any particular effect; if it should be issued in coin, while our paper currency was depreciated, it would find its way out of the country again immediately.

Would it not have the same effect as the purchase of other commodities to an equal amount?—Undoubtedly; I conceive that no country will send its gold to us without receiving an equivalent in return.

Would not the increased purchase of any commodity, have a tendency to depress the exchange still further?—When once the commodity purchased is paid for, the effect upon the exchange arising from the transaction, ceases to exist; the transmission of the two commodities having been effected, the exchange is restored to par, under a natural state of things.

W. Balthazard,
Esq.

(17 February)

W. Haldimand,
Esq.
(17 February)

The circulation of this country continuing the same, what would be the effect of an increased purchase of gold while the exchanges were unfavourable?—The effect of a purchase of gold would be, to send out of the country in payment for it some sort of merchandise; and when once this payment in merchandize was completed, I cannot understand how any effect could be produced upon the exchanges; the exchanges of any country are unfavourable to it, when it has payments to make to other countries.

If there is no demand for the goods, you must pay by draft?—But the draft must eventually be paid in goods, or in some sort of real value; foreigners will not send us their gold in exchange for our acceptances and promises to pay.

The present price of gold being 83s. an ounce, if the bank of England declined to buy at that price, will not the consequence be, that any gold now in this country, or which may come into it in the course of commercial transactions, with the exception of a small quantity necessary to supply the manufacturing demands, will, as soon as possible, be exported?—If it will not answer to send gold to the mint to be coined, and the bank of England does not buy it, I conceive that, as in this case, there would be less use for gold, less of it would remain in the country.

There being no use or demand for it in this country, there being no bargains, and the bank declining to purchase it, what must become of it?—It would be sent to those countries to which it would make a better remittance than goods.

Would there be any exportation of gold, if the current value of the sovereigns, instead of being fixed by law at the same denomination as the one pound note of the bank of England, was left to fluctuate according to the price of gold bullion in bank notes, as the French gold coin fluctuates in the silver of that kingdom?—That certainly would tend to keep it here; hitherto the gold coin of the realm has offered a premium to the exporters of it, equal to the difference between the metallic par and paper rates of exchange; had the Restriction Act been accompanied with an act allowing the melting or exportation of our metallic currency, it would have placed our manufactures upon a level with the gold coin for exportation.

Veneris, 19^o die Februarij, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

WILLIAM HALDIMAND, ESQUIRE,

Again called in; and further Examined.

YOU are understood to have stated, that if government were to repay eight or ten millions, and that the public and private balances of government were to remain nearly the same, you thought the bank might resume its cash payments; this would consequently reduce the circulating medium, from about twenty-seven millions to about seventeen to nineteen millions, independent of a forced reduction of discount, of three or four millions, to which you also alluded. (You being so doubt aware, that the issues of notes in 1797 were between ten and eleven millions, and the estimated circulation of specie was about fifteen millions, making together twenty-five to twenty-six millions;) are you of opinion, that with the increased wealth of the country and more extended commerce, particularly since the opening of the East India trade to private adventurers, the country is in a state to require a smaller extent of circulating medium than in or about the year 1797?—I do not recollect having proposed to diminish the amount of bank notes in circulation to the extent of ten millions; my plan was, to reduce the advances of the bank to government to the extent of eight or ten millions, and at the same time to increase the issues upon discounts to the extent of five or six millions, thereby palliating the evil which would arise from the reduction of the circulating medium in the commercial world. I do not think that trade is influenced by the amount of the circulating medium of the country, provided there be a sufficient amount to make all the transfers necessary from man to man; and I conceive that the ultimate effect of an increased currency would only be to raise the nominal price of every thing, depress the exchange in the same degree, and trade would remain exactly where it was.

You consider that about twenty-two millions instead of twenty-seven, would be sufficient for the wants of the country, speaking generally and commercially?—I consider the legitimate wants of the country should be grounded upon that amount of paper

paper which would represent the metallic currency; if one pound sterling more in paper is issued than would have remained in the country in the state of metallic currency, I consider that one pound to be excessive.

You are understood to have stated, that even at the present unfavourable state of the exchange, gold, to the amount of twenty millions or upwards, might be obtained from the continent, without producing disadvantageous effects upon the exchange, because it would force the exportation of goods to pay for it, would the natural way to procure gold be to order it to be bought on the continent and to desire it to be drawn for, or to remit for its amount:—I have already stated to the Committee, that in my opinion, gold could be brought into the country to any amount, without the interference of either the government or the bank of England; that no act of parliament could stop it; that gold could not be sent out of the country, provided the issues of the bank of England were sufficiently restrained. I should like no better contract than to supply the country with forty or fifty millions of specie, provided the bank of England would restrain its issues sufficiently to keep the exchanges above par.

Do you think, that in doing that, very great mischief would not be done to the country generally, by the distress it would occasion in every branch of trade?—The distress would be occasioned by the forcible reduction in the amount of the issues of bank of England notes, and consequently a fall of all prices; but that distress would be relieved from the circumstance of gold coming into the country.

You stated that one means by which those payments would be made, would be the exportation of goods to pay for them; might not that shipment of goods be made to very great disadvantage, that is to say, does not the merchant of this country, shipping goods for his own account, almost always receive less proceeds for the same goods than they would have given him had they remained here till orders came for them for foreign account?—I cannot conceive any merchandise exported but with a view to realize a profit in exchange for that article which is brought into the country; whether orders will come, or whether the transaction will spring from the merchant in this country, I will not say, I suppose both would be the case; but that profit, and profit alone is the motive and the stimulus which would cause the transfer of merchandize for the purpose of receiving gold in return, I cannot doubt.

As at the present moment you are aware there are hardly any goods but what will leave a loss on the continent, what could be the inducement to send them for the purpose of bringing gold?—I do not see how we can receive the gold without sending out a corresponding value in merchandize.

Does not the shipment of goods uncalled for, of necessity anticipate orders which to a similar extent would otherwise have been transmitted to this country for execution when wanted?—I should consider it desirable that orders should be anticipated in some respects, and therefore I see no mischief arising from that circumstance.

Would not the result however leave the balance of trade where it was before, if against the country, unless a fresh shipment of goods should be again forced upon the foreign market?—I do not concur in the ancient opinion respecting the balance of trade; I can conceive a country constantly exporting the precious metals whilst the balance of trade is in its favour; we have been exporting our specie, because we have increased the quantity of our circulating medium, out of proportion to that of other countries, from having discovered a mine, or what is the same thing, a method of increasing it by the issue of bank notes. Our gold having therefore been exported, I should suppose it would be generally agreed that the balance of trade was against us: I believe, however, that the real and profitable balance of trade is in favour of this country. The balance of trade in South America would be continually against that country, and yet the exportation of its specie is the chief source of its accumulating wealth.

Is it clear that we should find a vent for the article so contemplated to be exported for the payment of specie, such as cotton, coffee, sugar and indigo, with which the foreign markets are over stocked already; would not the result of our operations be, as they want money even more than we do, to induce, or rather to force them to undersell us, whatever reduced price we might be inclined to submit to?—A vent for exports would be found corresponding in extent to the amount of gold and silver brought into the country; the transactions would be exactly balanced in my opinion.

Under

W. Mahomed,
Esq.
(19 February)

W. Haldimand,
Esq.
(18 February.)

Under all these existing circumstances, are you of opinion, either as a merchant or a bank director, that the general extension of the trade of the country is a desirable object to aim at; and if so, do not you consider that the bank is equally consulting the interests of the nation as its own advantage, in affording liberal discounts to all good and legitimate paper, meaning such as may not be suspected of being tainted either in the shape of circulation paper, or connected with speculations injurious to the community?—I think it is a desirable object to aim at increasing the commerce of the country; but I consider that to be an artificial, and not a real increase, arising from the extension of the issues of bank paper, whenever that bank paper does not represent what in fact it purports to represent, namely, a pound sterling in gold.

Are you still aware of the number of English supposed to be on the continent?—I have never turned my attention to that point, with reference to the question before us, because I never considered that it bore upon the subject of exchanges.

Should you not consider that an expenditure of from twelve to fifteen millions sterling by Englishmen abroad, would have a disadvantageous effect upon the exchange?—If the amount were increased to any extent; still the limit would be found that I have mentioned upon the exchange, if the bank of England paid its notes in specie.

You are understood to have admitted, that from 1816 to 1817, gold was low, and the exchange favourable to this country, even with a bank circulation of about twenty-eight million; you were also, no doubt, aware of large investments of English capital being made in foreign stocks, and that we have been compelled to large importations of corn and clover seed, in the years 1817 and 1818; do not you consider these circumstances, added to the great expenditure of the English on the continent, sufficient to render the *bona fide* balance of payments against this country?—I do not consider it as sufficient to depress the exchange beyond the limit to which I have so often alluded, namely, the expense of transmitting bullion from this country to France, if the question refers to the exchange, which I suppose it does.

If the payments are against the country, can they be paid any other way than by bills, at an exchange proportionably disadvantageous to the country, as the extent of the balance may present itself, or by the export of our specie, which, if necessary, must be brought back again at an equal loss, until a foreign demand for our commodities again places the state of payments on nearly an equal footing, or a balance of payments?—I do not consider any payments can be made to foreigners by bills. When a bill is drawn upon any merchant in London, from any part of the continent, the person to whom the bill is negotiated on the continent, advances the money to the drawer, but eventually that bill, which will be remitted to this country by the taker, must, if for a real transaction, be paid for either by the transmission of gold or of merchandise.

Do you, upon the whole, think it more prudent to wait patiently till the blessing of good harvests, and reduced amounts to be invested in foreign stocks, and the reduced expenditure of the English on the continent, shall have brought the balance of trade, or payments and receipts so near, as naturally to place the exchange above par, and gold at a corresponding price, before making the attempt at resuming cash payments; or are you of opinion, that it is an experiment that might be tried at exchanges as unfavourable as the present, at a risk of the ruin that might be brought on money by the reduction of discounts and circulating medium, and the general distress it must inevitably bring on the trade of the country generally?—Embracing the interests of all classes and descriptions of persons in this country, I do think it most desirable that the bank should resume its payments; and, in my opinion, until it does resume its payments, or sufficiently reduce its notes in circulation, to restore them to their ancient value, the exchanges will not appear to be favourable to this country.

Assuming the exchanges with other countries to be unfavourable from any other cause than the balance of payments, such, for instance, as the possible excess of paper currency, would our gold coin be exported, so long as that excess continued even though the balance of payments should be in our favour?—I conceive it would.

Assuming the same scale of excess to continue, would not this exportation also continue without any abatement, even if all the gold in Europe were in accession to pass through the mint, notwithstanding the same favourable balance of payments?—I conceive that the circumstance of its passing through the mint, when there should be an excess of paper currency in the country, would drive it out more rapidly.

Is

Is the Committee then to understand, that you consider the gold coin exported under the circumstances now assumed, as so much capital sent abroad, from its not being allowed to circulate in this country, as a part of our currency, except at the same denomination with the notes of the bank of England?—That is my opinion.

Is it the effect of this forced exportation of our gold coin, either to occasion a forced importation to the same amount of the produce of the soil, and manufactures of other countries, as the means of payment by such countries of the coin exported, or that the amount of such forced exportation of gold remains in other countries as so much capital transferred thither for investment?—Part of such transfer of gold may have been made for one purpose, and part for the other; but value must be received for the whole. I conceive that the circumstances of gold being driven out of the country, from its not being allowed to pass for its real value, as compared with paper here, may have caused, momentarily, some increase in the foreign trade of the country.

In the state of things lately assumed, namely, the excess of paper forcing the exportation of our gold coin, notwithstanding a balance of payments in our favour, would not the real exchange be in favour of this country, whilst the nominal exchange was against it?—It would.

What is the real par of exchange with Paris, gold for gold?—The real par, I believe, is twenty-five francs twenty-one cents. But the Committee will allow me here to observe, that I have heard merchants very much laughed at out of doors, for not knowing the real par of exchange with all the countries with which they have traded. Now, I hold it to be a useless inquiry for a merchant to make; because it can be of no practical benefit to him, as long as the paper currency of the country alters the par, to every practical purpose, every day; the practical par of the exchange depending upon the issues of the bank of England.

Is it not universally understood between nations, that the par of exchange is an equality of one or other of the precious metals in their respective currencies?—It can mean nothing else.

Supposing one of the countries to have, for all its transactions, exclusively a paper currency; can there be any real par between that country and a country possessing a metallic circulation?—I cannot conceive how that par could be calculated.

You have stated, that the real par between London and Paris in gold, is 25. 21 cents; what is the value, in bank notes, of the quantity of gold in a hundred sovereigns at the last quoted market price of gold, 83s. an ounce?—£. 106. 11s. 7½d.

The exchange on Paris, at sight, having been on Tuesday last 23. 80, what amount of French money would be obtained for that sum of 106l. 11s. 7½d.?—f. 2,536. 63.

Then as the real par at 25. 21 cents, would give 2,521 francs for the gold in a hundred sovereigns, is not the difference between that sum and f. 2,536. 63, the extent to which the real exchange is in favour of this country?—I conceive that calculation to be perfectly correct.

Is not the difference between the latter sum f. 2,536. 63. and 2,580 francs, being the present value of 100 l. in bank notes, the extent to which the nominal exchange is depressed by the difference between gold and paper?—I conceive that to be the case.

Are you of opinion that any experiment for restoring the exchange by contracting the issues at the bank, would be productive of great inconvenience, if not followed up to a successful issue?—I should consider the inconvenience arising from an unsuccessful attempt as very great, because it might produce another kind of depreciation upon the paper currency of this country, which hitherto we have not experienced; namely, a depreciation arising from want of confidence; the inconvenience would also be felt, both in a depression of prices, and then in returning to former prices.

If circumstances induced you to abandon the experiment before it was brought to a conclusion, what would be the consequence?—The consequence would be, that it would produce mischief to nearly double the extent of the mischief and distress which I contemplate to arise from the effectual restoration of the currency to its antient standard.

Then is it your opinion, either that the experiment should not be made at all, or if made, that it should be persevered in till the object shall be attained, and in the latter alternative, that the only question for consideration is, the time which, in prudence, ought to be allowed for the purpose?—I think if the attempt is made, it should be persevered in, and I should have no doubt of its success; the time that will be

W. Feldmann,
Esq.
(19 February)

W. Hollander,
Esq.
(10 February.)

required to effect our purpose with the least inconvenience to the public, is a matter of very delicate consideration.

In recommending this experiment, do you mean a gradual diminution of our circulation, by reference to its actual amount at any particular period, or by a reference to the state of the foreign exchanges on the one hand, and the degree of pressure likely to ensue from such diminution on the other?—I mean a gradual diminution of the amount of bank of England notes, with a reference exclusively to the exchanges and the price of gold, and without any reference to the numerical amount.

Bearing in mind those considerations, namely, the state of the foreign exchanges on the one hand, and the degree of pressure likely to ensue on the other; do you think the present period one at which it would be advisable to enter upon this experiment?—I do.

What time do you think might be requisite for its completion?—I think it might be completed in the course of nine or twelve months.

Having regard to the pressure the country might bear, without its being severe?—Yes; considering it a most desirable object that the bank should resume its payments as early as possible, I have named the shortest time in which I think it could be done, without very great inconvenience to the public; possibly a much shorter time might enable us to restore the exchanges to par, and gold to its mint price; every thing, in my opinion, depends upon the state of the commerce of the country at the moment.

What is the criterion by which you would judge of the degree of pressure or distress occasioned by the experiment?—The degree of pressure, I conceive, can only be known, and then very imperfectly, by the calamities that would take place in trade: there are so many other circumstances, however, affecting trade at all moments, that we might possibly mistake the real cause of the distress, and attribute it more to a reduction of the amount of the issues of bank paper, than to collateral circumstances.

Then, if those collateral causes were likely to operate at the same time with the experiment, would it not be a reason for deferring the execution of it?—No, I conceive not; because, considering those circumstances independent of the distress that would be produced by the reduction of the issues of the bank of England, they might always exist, we should incur the same risk of meeting with such circumstances at all periods.

If, from the general state of the commerce of the country, or from any other cause, you foresee the probability of distress, from causes unconnected with the state of our circulation, would you think it safe to commence the experiment at a period so disadvantageous to its fair trial?—I do not foresee any more favourable period at which we could commence this operation of reduction within some years, as I consider the distress of the trade of the whole world will be of long continuance.

To what do you attribute this general distress of trade in all parts of the world?—To the exhaustion of all parts of the world after a twenty-one years war.

To a diminution of capital?—Yes, and to general overtrading.

Your view of the state of our currency in 1815 was such as would have produced a fall of prices generally, equal to 20 or 25 per cent, in order to restore it to its proper value; yet in 1816-17, that value was fully restored, and is now departed from again about 6 per cent, does it not follow that the distress which you anticipate from a general fall of prices to the amount of 6 per cent, especially if a considerable period should be allowed for the experiment, would be very trifling, compared to the distress which was experienced in 1816-17?—The argument appears to me to be exceedingly good, and to prove, that the distress that would arise has in all probability been exaggerated in my mind; at the same time I think I have already stated to the Committee, that I do not consider the market price of gold, and the state of the exchange, as gauging, from one day to another, the exact depreciation of our currency, as the rates of exchange are greatly influenced by excessive speculation upon the paper pound sterling.

Do those forced operations, to which you have alluded, upon the foreign exchanges, go to any considerable extent?—To a very considerable extent as compared with the business grounded in real transactions.

Are those speculations to be ascribed to the absence of cash payments, and could they be carried on if the issues of the bank were regulated upon the principle of maintaining the foreign exchanges permanently at or near par, as they were before the

the restriction on cash payments, even although cash payments should not be resumed?—If cash payments should be resumed, the operations to which I have alluded would, I conceive, be very limited, because the variation upon the exchanges would never exceed one or two per cent; but if the bank of England, without paying its notes in specie, were to issue its paper precisely to the extent to which gold currency would circulate in the country, there would still be considerable speculation; because there would be no certainty of the bank's maintaining that due proportion in its issues.

W. Maitland,
Esq.
(12 February.)

In the present state of the circulation, which of these three courses should you prefer as preparatory to the resumption of cash payments; To reduce the amount of issues till the exchanges were restored to par; secondly, to raise the mint price of gold to the present market price; or, thirdly, to persist in the present system of restriction, leaving the bank to make its issue upon the principles by which they are now regulated, waiting in expectation of a favorable turn in the exchanges from other circumstances, upon a comparison of the peculiar advantages and disadvantages of each; which, should you think, would be attended with the least public inconvenience?—Inconvenience is one thing, and good faith is another; I should consider it a breach of contract for the government of this country to alter the mint price of gold; in this view of the subject I need scarcely add, that I consider the first the most desirable plan.

Do you consider it the most desirable, upon the whole, with a reference to the degree of inconvenience likely to be produced by the experiment, as compared with the inconvenience of an indefinite continuance of the bank restriction?—I do consider it, in every point of view, the most desirable; because I consider the standard now, according to the practical operation of it, to vary every moment of the day, with the variation of the extent of depreciation on the paper currency; therefore every day it is a breach of contract; I do not consider the breach of contract between the government and the public in my answer, so much as the mischief arising from the unintentional and unavoidable breach of contract between man and man in all their credit transactions; I must add, that I consider the general evil to be excessively great, and great in proportion to the variation of what I call the practical standard of our currency, and affecting the real and vital interests of trade.

State in what manner it affects the real and vital interests of trade?—Alluding to our external trade, I would state the following case to the Committee: A merchant receives a price-current from his correspondent on the continent, and with a good deal of intelligence and activity makes out the comparative value of the different articles of merchandise in this country with the values abroad; if two, or three, or four per cent profit has appeared upon the estimate, the merchant feeling satisfied with that profit, ships his goods, but not having sufficient credit to draw upon his correspondent previous to the arrival of the shipment, he is under the necessity of writing until he receives notice of the arrival; and when he comes to negotiate his bill, he finds that all his former calculations have been in fact deranged from the value of our paper in foreign currencies having either risen or fallen very considerably, and instead of gaining three or four per cent profit on his adventure, perhaps he will have either gained or lost eight or ten per cent by the fluctuation of exchange.

Does not this statement suppose a fluctuation of eight or ten per cent between the date of the exportation and the notice of the arrival?—I did not mean to state any precise extent of fluctuation, but I have known the pound sterling fall in one post, on the Royal Exchange, to the extent of ten per cent.

At what time?—On the return of Buonaparte from Elba.

Have you ever known such a fluctuation, unconnected with political causes?—Such fluctuations I have never known unconnected with bank paper. They are caused by speculation on the price of the paper.

Have you ever known that fluctuation with paper, unconnected with some political event?—I have never known that fluctuation in so short a time, which I should call an anticipation of the probable future value of paper currency, except from political causes.

Would not a considerable surplus of public revenue, employed in the reduction of the national debt, greatly alleviate the distress which might be occasioned by any reduction of the issues of the bank?—I consider that any employment of the surplus revenue of the country, in the reduction of the national debt, would relieve the country in every department.

Is not the distress to which you have alluded, what is commonly understood by the words, a scarcity of money?—When people feel distressed, they will always say that

W. Halden,
Esq.
(19 February.)

that they want money; at the same time, if you doubled every man's money, they would all remain relatively in the same situation, and equally distressed; I do not therefore see how the question applies to the case in point.

Is not the nature of the distress to which you have alluded, that which is generally talked of in the city, as a scarcity of money?—It is undoubtedly in the city talked of as a scarcity of money, but people in the city mean by that, that they have not as much money as they would wish, compared to what other classes possess; and that therefore they cannot hold their goods, so as to command the prices which they desire to obtain.

Would not then the money thrown into the market, by the purchase of the commissioners for the reduction of the national debt, if not counteracted by any borrowing at government on the other side, exactly relieve that distress which is called a scarcity of money?—Should no money be raised by a loan, or by the issue of exchequer bills, I should conceive it would have that effect in the city, to a certain extent.

In considering the amount of paper issued, and reasoning upon its effects, do you form your calculation upon the paper of the bank of England solely, or upon the aggregate of that paper, and the paper of the country banks united?—I form my opinion upon the aggregate of the paper of the country banks and of the bank of England; but I think I have stated, very early in my examination, that though I did not feel any degree of confidence in my opinion, yet I considered the issues of country bank paper were grounded upon the issues of bank of England paper.

Do not you conceive it possible, that in proportion as persons speculated largely in consequence of what you term the over-issue of bank of England paper, that might give an increased facility to the issue of country bank paper, in order to increase that circulating medium, from the diminution of which they felt an inconvenience?—No; I should think that a country banker would be acting very imprudently if he did not diminish his issues so far in proportion to the diminution of bank of England paper, although he might be called upon for more, as people would feel themselves distressed for want of currency.

Have you stated, or can you state, any numerical amount of bank notes, or of a mixed currency, composed of paper and gold and silver, which might be necessary to carry on the pecuniary transactions of the country, whenever the resumption of cash payments shall take place?—I think I have already stated, that in my opinion no numerical amount can be named with any safety either to the bank or to the public.

Is it your opinion that the numerical amount of currency necessary for carrying on the pecuniary transactions of this or of any other country, fluctuates with and in the same proportion with the increase or diminution of the trade of the country?—The numerical amount of currency of all the countries in the world will fluctuate according to the proportion of commodities existing in each country to be transferred.

You have stated it as your opinion, that the suspension of cash payments by the bank is the cause of the present unfavourable state of our foreign exchange, and of the high price of gold; if then the evils of an unfavourable exchange and high price of gold should be asserted to be reasons against the resumption of cash payments, would not such an assertion, in your opinion, be confounding and substituting effect for cause?—In my opinion it would be substituting effect for cause; I have always considered the excessive issue of bank of England notes as the cause of the high price of gold and the low rates of exchange.

In fact, would not such an assertion be the same thing as to assign the evils of an unfavourable exchange and the high price of gold as a reason for continuing that system which, in your opinion, has produced and is the cause of those evils?—It would.

In your last day's examination, referring to the repayment which it might be necessary in your opinion to make of a certain portion of the bank advances to government, in order to enable the bank with safety to resume its cash payments, you stated that you always assumed that the balances of public money deposited with the bank as the public bankers, would continue upon their present footing; are the balances in the printed accounts recently produced to Parliament, and similar to accounts annually called for from the bank for some years past, the balances to which you referred?—I did allude to those balances.

Are you prepared to state what may for some years past have been about the aggregate amount of those balances?—I really must beg leave not to enter upon this question, because I consider that there are so many persons better qualified to

give

give information on this head than I can. I do know the amount of the balances generally as returned to Parliament.

Does not the aggregate amount of such balances operate as a diminution of the amount of the total advances made by the bank to the public?—Yes, it does.

Does not the aggregate amount of the public balances deposited with the bank, operate as a diminution of the amount of bank notes in circulation?—Every payment made to the bank, either by the government or by individuals, operates as a diminution of the amount of bank notes outstanding.

The effect then of a deposit by government with the bank, is to lessen and reduce the amount of bank notes in circulation?—It is.

Have you any calculation of the probable amount of English capital advanced to foreign loans?—I can state to the Committee what in my opinion is the amount of British capital invested in foreign loans, and I think from all the information I have been able to collect, that the sum I shall name is very nearly accurate.

Be so good as to state it?—I estimate the amount of English capital now out of this country, for the purpose of making payments on French loans, at somewhat about £. 500,000; and perhaps £. 1,000,000 sterling for the Prussian loan. I have communicated with a great many well informed merchants upon this point, and I have no doubt that £. 1,500,000 sterling would more than cover the whole of such payments. I believe there are not more than four or five houses in the city of London engaged in foreign loans. I think little or nothing more will be sent from this country to make any further payments.

Can you state any calculation of the probable amount of English capital now invested in foreign government securities?—I believe the amount at the present moment to be larger than it ever has been since the peace. I have made my own estimate, and two other houses engaged in foreign loans have made their estimate also; we agree within a very small amount. My estimate is Two millions five hundred thousand pounds; and I will give the Committee the detail of those investments. In French stock, a sum not exceeding seven millions sterling is at this moment invested; in Prussian stock I estimate half the sterling amount of the loan negotiated in this country, making £. 1,400,000; of which however, instalments to the amount of £. 500,000 are not yet due; and I should observe also, that out of the £. 7,000,000 sterling invested in French stock, I believe above £. 2,000,000 to be profit; therefore it has caused a payment of £. 5,000,000 only. The whole amount of the two Russian loans was only £. 4,500,000; and large investments were made from Holland, and various parts of the continent. I estimate that £. 2,000,000 sterling may have gone out of this country for investments, in that stock. An Austrian loan has been contracted for by a house in this country, in conjunction with several houses on the continent, to the amount of £. 5,500,000 sterling, of which out £. 100,000 sterling has been negotiated or paid for in this country. These several items make a total of £. 10,500,000. I may be wrong in my estimate to the extent of one or two millions; but I think it more likely to fall short of than to exceed the sum above stated. I have brought with me a statement of all the loans raised in Europe out of England, during the years 1817 and 1818. It appears that France has raised in loans, independent of her *reconsolidation de liquidation*, a sum which would amount to sterling to £. 27,500,000; and has also issued 15,000,000 of rentes of private liquidation, the capital of which would be about £. 9,000,000 sterling.

[The witness delivered in the following paper.]

LOANS raised in Europe to the years 1817 and 1818, exclusive of England.

—FRANCE:—

Vote of Credit for 30 Millions for 1817.

Fr 9,000,000	a'	52.50	½%	Traite 10 Fev' 1817.
" 8,620,889	a'	55.50	½%	" 11 Mars d.
" 9,000,000	a'	61.50	½%	- 22 & 30 Juill' d.

Fr 26,711,598 Rentes, together contracted for by Mess^{rs} Hope & Co. and Baring, Beor & Co. at the average rate of 56.50 ½% (time or discount 00 cash.)

Vote of Credit for 15 Millions for 1818.

" 14,500,000 Rentes. Emprunt, 30 Mai 1818. Open.

" Loan taken by the French bankers and capitalists a' 66.50 ½%.

*W. Estlinwood,
Esq.
(19 February.)*

Vote of Credit for 24 Millions for the liberation of France.

£ 12,400,000 Rentes, conditionally taken by Mess^{rs} Hope & Co. and Baring, Bro^s & Co. but ratified at Aix-la-Chapelle, at 67 $\frac{1}{2}$ and £ 6,600,000 at 74.071;—which has since been withdrawn by the Allies.

£ 33,711,598 Rentes at the average price of 62 $\frac{1}{2}$ yield £ 666,023,815. 20. at an estimated exchange of 24. - about £. 27,700,000.

—Private Liquidation.—

£ 3,000,000 Rentes, England.
" 1,000,000 - D^r - Spain, and
" 12,000,000 - D^r - rest of Europe; at one million $\frac{1}{2}$ month.
£ 16,000,000 - Rentes together.

—PRUSSIA:—

£ 5,000,000 Bonds at 5 $\frac{1}{2}$ $\frac{1}{2}$.
1,000,000 Retained by Prussia.
£ 1,000,000 Contracted for by Mr. N. M. Rothschild, at an average net cost of about 70, (after deducting discounts) - - - - - £ 2,800,000

—AUSTRIA:—

£ 50,000,000 - at 66 $\frac{1}{2}$ yield. - - - £ 33,000,000 at an estimated exchange of £ 2 - - - about £ 3,600,000

—RUSSIA:—

Roub^l 28,000,000 Subscription to the first loan.
" 67,000,000 - D^r - to the second loan.
Roub^l 95,000,000 - together at an estimated exchange of }
11 $\frac{1}{2}$ d. - - - - - about } £ 4,500,000

—RECAPITULATION:—

£ 27,700,000 - - FRANCE.
" 2,800,000 - - PRUSSIA.
" 3,600,000 - - AUSTRIA.
" 4,500,000 - - RUSSIA.
£ 38,600,000 - - TOTAL.

N. B.—In the above Statement, no notice has been taken of small loans in Holland, Naples, and Denmark, in which British subjects are supposed to have little or no interest.

Do you believe that the disposition to invest British capital in foreign government securities is increasing or diminishing?—I think it is increasing, and will continue to increase as long as the continent is open to English travellers. I have seen very few gentlemen return from Paris without having made a small investment in French stock. The low rate of interest offered by the government securities in this country has given, in my opinion, a taste to English capitalists for foreign investments.

Do you believe there would have been any difficulty in making the remittances necessary for these operations, if the bank had been paying in specie?—None in the world, as far as relates to the question of exchanges, if they had been increased tenfold.

Is not the sum in the course of the next twelve months to be remitted from France, in the shape of dividends for stock, held by English subjects, greater than the sum which will go from this country to France, to make good the instalments on the different loans?—In my opinion it is. I conceive that the instalments upon the different loans will take no more money from this country. I think the effect upon the exchanges of the country, in consequence of a much increased investment of British capital in foreign stocks, would not have been felt, had the bank of England at the time been making its payments in specie. France has nearly twenty millions sterling to pay to the allied powers, which at first were to have been paid in six months; but the time is now extended to twenty-seven. Three instalments have been already paid.

In your judgment, is there any difficulty in the bank taking the necessary steps for resuming cash payments, but that which arises from the effects produced by a long continuance of the restriction?—Not any, in my opinion; and I judge, not only from reasoning and my knowledge of exchanges, but from what has been experienced in other countries; for instance, Holland has always invested its capital in foreign securities, and at this moment is making considerable purchases of Prussian and Russian stock.

Supposing the foreign exchanges to be brought to par, and the bank to resume its cash payments, would not any slight alteration in the value of gold, considered as a commodity, carry the coin out of this country?—I consider the bank of England to have it in its power to regulate the price of gold, and at any time to bring it a degree below the mint price, by reducing its issues; although I am aware, that prior to the restriction act, gold did sometimes, for a moment, rise above the mint price.

Would not such an operation, which would be necessary to keep gold within the country, be attended with extreme inconvenience, in the excessive and continued fluctuation in the value of all other commodities?—I do not see why it should be attended with more inconvenience in this country, than is produced in any other country, under similar circumstances; and I have heard of no inconvenience arising in France, Holland, or Hamburgh, or in other countries, where the paper circulation is paid in gold and silver.

If the bank paid in gold, is it not almost certain, that the price of gold would be subject to very trifling fluctuations?—Quite certain. If the bank were to resume its payments, the price of gold could not fluctuate materially.

WILLIAM WARD, ESQUIRE,

Called in; and Examined.

STATE in what line of business you are concerned?—I am a gambier, and Mediterranean merchant.

With reference to the security of the bank, do you think it would be practicable for them to resume cash payments on the 5th of July next?—I conceive it would be perfectly so, provided such monies should be repaid by the government, as the bank is entitled to expect.

What measures do you think it would be necessary for the bank to adopt, with a view to enable them to resume cash payments at that period?—One of the principal measures, I conceive, would be, the reduction of the issue of bank notes now in circulation.

To what extent, and in what manner, should you advise that reduction to be effected?—The extent could only be ascertained by experience. They must begin by reducing, and stop at the point where they found they had accomplished the object of rectifying an unfavourable exchange. The best manner of effecting such reduction, I conceive to be, by receiving back a large amount of money from government, and re-issuing such parts as they should deem expedient, in the shape of discounts, and through other channels.

What would be the effect upon the public, of such a reduction of the amount of their issues, as would enable the bank to resume cash payments on the 5th of July next?—That would depend very much upon the discretion with which such reduction should take place; if the reduction were to be carried to a great extent, the pressure upon the public would be great; and vice versa, of course.

Do not you think the reduction must be very considerable, to enable the bank to resume cash payments by the 5th of July next?—I decidedly think not great. I would name an amount; I conceive we should reach that point, before four millions would be reduced of the present amount of bank notes. I am sanguine enough to hope so; they consist probably, at this moment, of less than twenty-five millions. There was a payment on the omnium to-day, of twenty per cent; probably they are reduced below that.

You think twenty-one millions would do it?—I am decidedly of opinion, that before we reached twenty-one millions, we should arrive at that point, which would correct an unfavourable exchange. I beg to be understood as giving that only as an opinion; there is no standard by which I can say, so much reduction would produce so much effect.

In the event of no unforeseen impediment occurring in the interval, you conceive it possible, that the bank might, by the exercise of great prudence and caution, make such a reduction in their issues, as to enable them to resume cash payments, without

W. Ward, Esq.
(19 February.)

William Ford,
Esq.
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material inconvenience to the public, by the 5th of July next?—I entertain doubts whether such a reduction would not inconvenience the public; I anticipate that it would inconvenience the public. I think the bank could do it, perfectly with safety to itself; but that as to the public, inconvenience is to be anticipated.

What amount of the debt now due by the government to the bank, do you think the government ought to repay, in order that the bank might be enabled to make the reduction in its issues, to which you have already referred?—I conceive sixteen millions would be necessary.

In those sixteen millions, do you include the amount of the payment which has already taken place; or do you mean, sixteen millions, in addition to four or five, already paid?—According to my conception, five millions have been nominally repaid to the bank; in reality, I conceive four millions has been repaid to the bank; but no sum whatever repaid, as applicable to the purposes of reduction; inasmuch as the public balances having been diminished to a great extent, the four millions paid into the bank, have not occasioned any reduction to take place; a corresponding reduction having taken place in public balances, though not exactly at the same time; that is, commencing from 1816, the time that the three millions and the six millions loans were advanced to government. But I am not in the committee of treasury at the bank; and therefore, I am only giving my view of these circumstances. The gentlemen who have passed the chair at the bank, can give a better account of this than I can.

On what ground do you calculate that the repayment of sixteen millions will be necessary?—A plan is in contemplation at the present moment for rendering the public balances applicable to public purposes; those balances likewise, amounting to five millions and a half at present, would be withdrawn from the bank, and therefore circulation increased to that extent, unless a corresponding amount should be repaid, on some other account, by the government to the bank; there then would remain ten millions and a half to be repaid, to enable the bank to increase its discounts, replace part of the bullion issued of £.5,600,000, the gold which has been issued or more, pay the dividends that are due in April next, of three quarters of a million to the bank proprietors, and effect reduction.

Do you conceive that, supposing the bank to retain the amount of public balances which it has at present in its possession, and available for the same purposes, a repayment to the extent of ten millions and a half by the government would be sufficient to enable it to make the necessary reduction of its issues?—I consider it would be perfectly so at present.

Then when you state, that it is your opinion that the bank might resume cash payments by the 5th of July next, you assume that there must have been a previous repayment by the government to the extent of ten millions and a half, supposing the amount of public balances to remain the same?—Exactly so.

What do you conceive would be the effect upon the public of a loan to such an extent as would enable the government to repay that sum to the bank?—I consider a loan to that extent would be highly disadvantageous to the public, for reasons I will take the liberty of stating: I conceive that a loan being to be raised for the express purposes of reduction, would materially affect the advantageous terms on which a loan ought to be raised, because persons engaging in that loan, knowing that the produce was to be applied to the purpose of reduction, would consequently anticipate that they would not have those facilities which they usually have had, both in consequence of the bank making some of the installments for them, generally taking in part of that left in hand, and making the payments for them, and likewise from the decreasing circulation, their being exposed to encounter falling prices occasioned partly thereby.

Would it not be necessary that the installments upon that loan should be paid up previous to July next?—Certainly; or it is not applicable to the purposes of reduction.

Supposing the bank assisted individuals in the usual manner in enabling them to make the payments of their respective installments, would not the intervention of the bank in that manner tend to counteract the measures which it would be necessary for the bank to take in order that they might be enabled to resume cash payments?—Certainly.

Therefore it would be necessary that the bank should not interfere with respect to that loan?—Certainly.

Supposing, instead of the 5th of July, a twelvemonth were allowed for the bank to take measures for the resumption of cash payments, would not the additional

period then allowed for the bank, materially affect the calculation you have made?—It would enable the bank to feel their way as they proceed, and enable them likewise to speak from experience at a future time (namely, nine months hence;) they could speak of that from experience, which I am speaking of only from opinion; they could speak as to the practical effect of the reduction.

Do you conceive it necessary, that an immediate repayment, to the amount of ten millions and a half, should take place?—I consider it indispensable it should take place, because I think they ought to have a power, whether they use that power or not, of reducing to a considerable extent.

Supposing a repayment took place, at the rate of one million per month, from the first of March, would that equally answer the purpose for which you consider it desirable the repayment should take place?—The more quickly government should effect such repayment, the more quickly will the bank be enabled to ascertain the ability of the public to bear the reduction.

Putting out of consideration the possibility of any unforeseen contingency, do you think a reduction in the present amount of bank notes in circulation, to the extent of four millions, gradually made, would enable the bank, at the expiration of a period of a twelvemonth, to resume cash payments, with a prospect of being enabled to continue them?—I conceive it would enable them, decidedly, at the expiration of that period, to resume cash payments; with regard to the resumption of cash payments being permanent, that must depend very much upon a great many circumstances that are at present in operation, and as to which it is difficult to say how long they will continue in operation, more particularly the trade as at present existing with India.

Then when you stated, in your answer to the first question put to you, that you considered it possible the bank might resume cash payments on the 5th of July next, you did not mean to imply that there was a security that it would be enabled to continue them?—I considered, in my first answer, that the bank must possess the power of controlling the event I alluded to; with regard to India, I conceive the bank can, by reduction, control the present circumstances of trade with India, if it is the pleasure of Parliament that it should do so; therefore I assumed, in my former answer, that they were to possess the power and exercise the power of controlling even the trade with India, as it at present exists.

William Ward,
Esq.
(19 February.)

Martin, 23 die Februarii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

[The following Answer was received from JEREMIAH HARMAN, Esquire, to a Question put on the 16th instant.]

"IN answer to the question, Why, under the circumstances described, so large an increase in the amount of bank notes was necessary in 1817, above the amount in 1807?—I would beg to suggest, whether it would not be right, in an inquiry of this nature, to exclude the amount of small notes from the calculation, the averages whereof, at the periods referred to, say in the years 1807 and 1817, were £.4,300,000 and £.7,300,000; in that case the respective amounts in circulation would be £.12,505,500 and £.20,774,500, making the difference or excess only £.8,269,000, instead of £.11,369,000; this will be still further diminished by taking into the account a comparative increase of cash and bullion in the coffers of the bank at the latter period, which, together with the greater amount of tonnage in 1817, and probably some considerable decrease of the issues of the country banks, may afford a satisfactory solution of the question."

Jeremiah Harman,
Esq.
(17 February.)

WILLIAM WARD, ESQUIRE,

Again called in; and further Examined.

TO what extent do you conceive the rate of exchange and the price of gold are affected by the issue of bank notes?—I conceive they are affected to a very considerable extent, directly or indirectly; I conceive that a very large amount of issues of bank notes would produce an unfavourable exchange; unless counteracted by other circumstances; but it will occasion a greater or a less effect according to the principle

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*W. Wilson M. A. & Co.,
Esq.*
(24 February.)

on which bank notes are issued, inasmuch as if a large amount of bank notes were issued upon discount, they would revert to the bank so soon, that I anticipate the bad effect would be very soon counteracted, if issued to a large extent upon exchequer bills, so that they would not revert to the bank, but must remain in circulation, whether wanted by the public or not; I conceive there is no end to the extent which it might prejudice the exchange, supposing fifteen or twenty millions, beyond the present amount, were issued, upon a principle that would not make them revert to the bank, when the public ceased to want them.

Supposing the other causes which affect the exchange to operate equally at two different periods, do you think the price of gold, and the rate of exchange, would be the criterion by which you might judge of the adequate or excessive issue of bank notes?—Yes, I do.

In April 1815, the price of gold was *5*l.* 7*s.** and it continued from the 5th April to the 25th June, at a price never lower than *5*l.* 4*s.**; in that half-year, the amount of bank notes in circulation was twenty-seven millions; in 1817, from July to December, the amount of bank notes was twenty-nine millions, or two millions greater than it was at any former period, but in the latter period, the price of gold never exceeded *4*l.* 0*s.* 6*d.**; how do you reconcile these facts, with the theory you have stated?—It is necessary, I conceive, to ascertain the amount of country bank notes which circulate, the amount of gold which circulates, the rapidity with which gold or paper may circulate, and likewise, the degree of demand for notes at the time of such circulation; inasmuch, as I conceive, thirty millions may be too small an amount of bank of England notes at one time, and twenty millions too large at another time; and I conceive, that it is the supply exceeding the demand, that will occasion an unfavourable exchange.

From what do you infer, that there was a less demand for bank notes in the latter period, than there was in the former period; do you infer it from anything but the price of gold?—I can account for a part of what took place in 1817; the amount of discount at the bank was very small indeed, and therefore bank notes did not revert to the bank, being for the most part out upon exchequer bills and bullion, with which it had provided itself; I mean by this, to separate the amount of notes into two classes, those that are floating in the market, and those that are, what I should call, dead, and that would not, under any circumstances, come back to the bank; I conceive that, if the bank were to advance ten millions to government upon exchequer bills, they would never get that ten millions back till it suited the government to pay it, whether the public wanted that amount of circulation or not.

Taking the two periods to which the question has referred, the amount of bank notes in the latter period was two millions greater than in the former, and yet the price of gold in the latter period was only *4*l.** and in the former it was *5*l.* 7*s.** what other causes, affecting the price of gold, do you conceive then to have been operating, to account for this apparent contradiction of your theory?—I account for that by the excessive demand for gold previous to the battle of Waterloo; I mean the demand for gold here; it was necessary to provide a considerable military chest, which naturally withdrew gold from circulation, and it was necessary to provide the gold here, at any expense; and those who held gold here would naturally avail themselves of such a circumstance to get an unreasonable price, before a reduction or increase of notes could operate upon it. I am giving these answers with a great deal of deference; it is very difficult to give them with satisfaction, accounting for things so far back; I come more prepared to account for what is at present in operation, than to trace inconsistencies so far back; therefore I beg to be understood to give these opinions with considerable qualification.

From July to December 1817, the amount of bank notes in circulation was *£* 29,210,000; from July to December 1818 the amount of bank notes in circulation was *£* 26,487,000, being nearly a diminution of *£* 3,000,000; in the former period, the average price of gold was about *4*l.**; in the latter period, it appears to have varied from about *4*l.* 1*s.** to *4*l.* 3*s.**; but at any rate, the price of gold was higher in the latter period than in the former; how do you account for that rise, in the price of gold, co-existing with a diminution in the amount of bank notes, to the extent of *£* 3,000,000?—I should account for that a great deal, by a large sum of money having been raised on foreign loans, which occasioned money to be withdrawn in France from trade, and placed in funded property; the consequence of which was, that it diminished the ability of English, if they sent goods to effect a payment thereby, because the markets were bad; I likewise attribute it to the very great over speculation in France, which occasioned a total want of confidence,

and

and stagnation of business; so that a smaller amount of balance of payment would operate a greater effect on the exchange than when business enjoyed its usual tone.

The causes to which you have referred then, are causes over which the bank had no control whatever?—I conceive that they had a perfect control over that, or even a more powerful cause, if they chose to exercise that control; I conceive that if the bank had been indifferent to the consequences, it might have reduced its notes to such an extent as would have corrected the unfavourable exchange.

What would have been the consequence of such a reduction in the amount of bank notes, as would have counteracted the effect of the exchange?—Excessive distress among the commercial part of the community; at first, and probably in every other part, eventually accompanied by difficulty in raising the revenue.

Do you conceive, that the same causes could operate to the same extent, subsequently to the resumption of cash payments by the bank; and do you think an attempt to counteract those effects would be attended with the same consequences to the commercial world?—I hope not; because the loans were raised in France for extraordinary purposes, and therefore France must first have an amount of contributions to pay, before it can have occasion to raise so large a sum; in addition to which I anticipate, that upon a future occasion the bank would make better preparation, by the amount of its notes being previously smaller than it was when this last event took place; and therefore the effect would have been gradually counteracted or anticipated, whereas in the present instance, it was not.

Do you think the amount of country bank notes in circulation bears a tolerably fixed proportion to the amount of bank of England notes?—I conceive that the amount of country bank notes is larger, when the amount of bank of England notes is large, but not by any means in the same proportion, because there are ebb and flows of confidence, and a greater provision of bank of England notes is necessary to a country banker at one time than at another; in addition to which, those that make use of country bank notes, frequently, after billers of neighbouring country banks, will totally distrust any country banks, whose credit is not well established.

Supposing then the confidence in country bankers to remain the same, do you think it would follow, that the reduction in the amount of issues by the bank of England must necessarily lead to a reduction in the country bank paper?—Much must depend upon supply and demand. Farmers may require a greater amount of circulation at one time than they do at another; but as a general principle I should say, that country bank notes would naturally diminish, if bank of England notes were diminished.

In the same proportion?—I cannot answer for the proportions being kept accurately.

Supposing the demands of the country for circulation to remain the same, and the bank to make a forcible reduction of its notes, to the extent of four millions, with the view of affecting the foreign exchange, do you conceive that such a reduction would necessarily lead to any correspondent reduction in the amount of country bank notes?—I think it would occasion a reduction of country bank notes; but, as I said before, I cannot answer for the proportions.

Might it not be possible, that at first, as the reduction is to be a forcible one, supposing the confidence in country bankers to remain the same, it might lead to an increase of country bank paper, with a view to supplying the deficiency created by the diminution of bank of England paper?—I conceive, that the public would place greater confidence in bank of England notes than they do in country bank notes, and therefore will prefer them, as long as they can get them. I conceive, that the habits of people must excessively change, before they can allow country bank notes to circulate in those districts where bank of England notes have previously circulated; but I anticipate, that the effect would be produced of correcting the exchange, long before such a state of things should take place; and therefore, of course, the bank of England notes would not be reduced so low.

Supposing the bank of England notes that now circulate in Lancashire to be suddenly withdrawn, do you not conceive, notwithstanding the habits of the people, their place would be immediately supplied by country bank paper?—I think it would partly be supplied by country paper: payments are made commonly in Lancashire by bills of exchange, at three months date, and a great many payments are effected by private bills of this description; but if bank of England notes were to cease to be used in Lancashire altogether, then, of course, I conceive that my former statement of four millions' reduction would not hold; a greater reduction might be necessary.

William Ward,
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*Witness Heard,
Esq.*

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Supposing there to be such a reduction of bank-of-England notes, as to make the market price of gold correspond with the mint price, would not there be a corresponding reduction of the prices of all commodities?—I think so.

To what extent do you think the reduction of prices would take place?—I think it would probably be to the extent of the difference between the market and the mint price, at least, but probably more; for I think a want of confidence might probably take place: a greater fall might take place at first, and the prices might recover afterwards.

Have the goodness to state, what you think would be the effect upon the community at large, of such a general reduction in the prices of commodities?—In answering any questions of this description, I beg to remark, I am travelling out of my line of business. I represented myself as being engaged in exchange transactions. I wish to give every information in my power, but to be considered as qualifying every thing out of my own line by that general remark. I think, in the first instance, it would be very prejudicial to the community, and considerable sacrifice would be to be made eventually; I think it would improve the quality, but diminish the quantity of commerce: it is likewise so difficult a subject to give a complete answer upon, that I should consider it dangerous to remove the bank restriction act, till more practical knowledge can be had upon this subject by experience; I mean, as the market price shall approach the mint price, and as we feel our way, we should be able to give a much better account; and until that can be given, I think it would be dangerous to remove the bank restriction.

Then do you think it would be difficult to fix before hand any period at which the resumption of cash payments can take place?—Decidedly so; I consider it will never be quite safe for the public to return to cash payments till the bank, protected by restriction, shall have successfully acted on the same principles as if no restrictions existed; I should conceive the bank ought to have acted six or twelve months upon the same principles as if no restriction existed.

Have the goodness to explain what are these principles?—Reducing their notes as often and as long as they found the market exceed the mint price of gold.

If a certain period were given for the bank to act upon those principles, might not a definite period be fixed for the resumption of cash payments?—I have stated, in a former answer, that much of the distress of the community that I anticipate, must depend upon the discretion with which bank notes are reduced; and I conceive, that if a time is limited, the bank will cease virtually to have that discretion, inasmuch as they must arrive at a certain object at a given time, and therefore, that necessity would interfere with the exercise of their discretion.

Supposing there was a positive obligation on the bank to resume cash payments at the expiration of two years; supposing that you began to act with a view to the resumption from the present period, and to act with the greatest caution and discretion, do not you conceive it more than probable, that within the period of two years, some opportunity would present itself upon which the bank might resume cash payments?—I conceive such opportunity likely to present itself, but I would not be a party to any assurance that it should take place, for fear of deceiving the public.

Two specific periods having been assigned by Parliament, since the peace, for the resumption of cash payments, in your opinion, would it have been advisable for the bank to have regulated its issue, within either of those periods, with a view to the principle which you have stated, namely, the difference between the mint and the market price of gold?—I think that during part of 1817, it would have been expedient to have reduced the notes; I think that latterly, it would have been very dangerous for the community if the bank had reduced its notes.

On what ground do you conceive that, in 1817 it would have been expedient to make the reduction, and dangerous within the latter period?—During the year 1817, exchequer bills were reduced to 2*d.* a day only; commercial discounts were effected at the rate of 3 per cent, and I conceive, that a large amount of property left the country and thereby affected the exchange, in consequence of the difficulty of procuring beneficial employment for it here; latterly, I conceive that the distress was actually great, and would have been aggravated by a reduction of notes.

Do you conceive that the reduction of the rate of interest, upon the discount of bills to 3 per cent, was the result entirely of the amount of issues of notes from the bank of England?—I think it was occasioned by the amount of notes in circulation of the bank of England principally, and the reduction of interest on exchequer bills likewise.

How did the reduction of the interest upon exchequer bills contribute to lower the rate of interest generally?—Capitalists finding the diminished advantage in purchasing exchequer bills, naturally sought investments in discounts, and thereby reduced the rate.

What was the rate of premium upon exchequer bills in your recollection for some months before the reduction of interest to 2*d.* a day?—I think it rose to nearly 30*s.*; it was very high.

And that for a considerable time?—And that for a considerable time.

Did not the exchequer bill at 2*d.* a day, when it came out, bear a premium of 30*s.*?—Yes.

Supposing a period, however distant, to be fixed by parliament for the resumption of cash payments, in the hope that the bank would, in the mean time, conform to those principles of preparation which you have described, would not the pursuance by the bank of a course different from that described by you, defeat, or tend to defeat, the ultimate object of Parliament?—Yes.

Would it be possible, in your opinion, for parliament to prescribe the course to be pursued by the bank more precisely, than is done in the preamble to the Act of 1816, which is as follows; "In order to afford time to the directors to make such preparation, as to their discretion and experience may appear most expedient, for enabling them to resume payments in cash, without public inconvenience, and at the earliest period," without interfering with that discretion on the part of the bank, the free exercise of which you think essential to the ultimate resumption of cash payments?—I conceive, one of the most essential parts of resumption consists in its being made easy and cheap to the public, inasmuch, as if the public found that they were to pay too great a price for resumption, they would become disgusted, and prefer restriction; I therefore think, that the bank of England would never, without reluctance, reduce their notes to an extent that would much distress the public; according to my view, if they were to render money rather scarce at 5 per cent, that is as much as they probably would do; but I have no authority to commit any director whatever, or the court, upon that subject; upon the whole, I doubt the expediency of giving anymore precise direction, but if such direction should be the result of the deliberations of parliament, parliament must take the consequences, and not the bank, if public inconvenience should ensue.

Are the Committee to understand that, in your individual opinion, the bank either would not, or ought not, to reduce their notes to such an amount as would set right the exchanges, from fear of an inconvenient pressure upon the public, unless such a course were specifically prescribed to them by parliament?—Yes; I think the bank ought not to press the public excessively, unless it is the pleasure of parliament that it should do so.

Could you devise any mode in which parliament could, if it were so disposed, prescribe to the bank a course which should lead through this process, to the resumption of cash payments?—I think the course prescribed in this paper, might possibly answer that purpose:

[It was read as follows:]

"I conceive that the bank must, act with excessive caution, whenever resumption of cash payments takes place: It will find itself in a *new* situation, and in a state of uncertainty as to what amount of gold may be demanded. For its *own* security it will probably reduce, and keep reduced, the amount of its notes to an extent highly prejudicial to the community; sensible as it will naturally become, that it is indispensable to provide against the effect of panic, as well as war, or any political convulsion that may take place. Moreover, the public has been so habituated to a large supply of bank notes, that it cannot immediately dispense with the accommodation they afford: to *obviate* these difficulties, and at the same time to approach the monetary system that formerly existed, the following expedient is proposed, under the conviction, that the resumption should have the advantage of lending strings at first. I propose, that, for a period to be limited, bank notes should not be made payable in cash on demand. I propose, that all London bankers shall be entitled to pay the bank whatever amount of notes they please, and demand cash in return at the expiration of three months; this period to be subsequently reduced, as circumstances may afterwards render advisable. The advantages that may be expected to accrue from this modification, are as follows; viz. the bank will not be in a state of uncertainty as to what gold will be wanted, and therefore will not

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excessively

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excessively reduce its issues, nor inconvenience the public. People would not, on the impulse of the moment, return notes to the bank under the influence of panic, because they would have to wait three months, and before the expiration of that period, they would ascertain that their panic was ill founded. People would not return notes on account of war, or any political convulsion, because that would be the very time when they would most want notes. The loss of three months interest would operate as a seignorage to the extent of 1½ per cent, without being accompanied by the disadvantages to which a seignorage is exposed: the most essential advantage that would accrue, would be this, the very circumstance of notes being withdrawn from circulation for three months, would operate a reduction, and render the remaining notes in circulation more valuable, probably to an extent that would again reduce the market to the mint price of gold: moreover, if the public were inconvenienced by a scanty supply of paper, it must vent its displeasure on that part of the community that returned the notes, and not on the bank or government."

Presuming always, the required repayments to have been made by government to the bank, do you think that this qualified plan of resumption might be carried into execution on the 1st of March 1826, or at any earlier period?—I hope that it would, but I cannot say decidedly that it would; it is a thing I conceive to be ascertained only by experience; I should be sorry to commit myself, that it can be done in any limited time whatever.

Being of opinion the efficacy of any plan of resumption, including that qualified one you have just stated, cannot be ascertained, except by experiment, do you mean an experiment to be prescribed to the bank by Parliament, or an experiment to be made by the bank in the exercise of their free discretion?—The experiment I mean is the experiment of reduction; I conceive that till reduction has been tried, nobody can tell what the consequences of reduction may be; my own idea is, that the consequences of reduction will be that there will be considerable pressure and inconvenience for the moment, that that sacrifice once made, things will recover to a tolerable extent; but I would not commit myself to this opinion, so as to have the public act upon it; for if it were decided that reduction were to continue, whether people were inconvenienced or not, whilst the Parliament was not sitting, hundreds might be ruined by it, and yet the bank have no choice, they must go on reducing; I conceive it should be not by forcible reduction, but by reduction being as it were stolen upon the public, by notes being withdrawn from them as we found we were able to do it, without their feeling it. I conceive the bank should use its free discretion, and not be committed in any shape whatever, nor controlled by Parliament.

Can you suggest any period within which you think free and full scope would be given for the trial of the experiment by the bank?—I should name two years; I think they could ascertain in two years nearly the degree of pressure that must be occasioned to the public.

What security do you think Parliament and the public could have for the full trial of that experiment by the bank, during the interval assigned, without such a direct interference by the enactments of Parliament in the affairs of the bank, as would, in your view and in every body's view, be prejudicial?—None occurs to me at present.

What would, in your opinion, be the effect of requiring the bank of England to sell gold and silver bullion, in quantities not less than the value of £. 100 sterling, to holders of their notes, at the present market price, and to lower the price at a given rate weekly, until it fell to the mint price, provision being at the same time made that the bank should, in each week, buy bullion at a fraction less than the selling price of each week?—One of the consequences would be, that the bank would be exposed to the same run, either occasioned by panic or by politics, that I have alluded to in a former answer.

Must not the bank always be exposed to such a run, whenever it pays its notes upon demand?—Certainly; unless some alteration should take place in the plan which formerly existed; according to the former plan certainly.

During the operation of such a plan, would not the bank be exactly in that situation in which it was from its first institution to the year 1797, so far as relates to panic or politics?—Yes.

Would not the effect of such a system, so long as the bank should remain shut, be to throw the expense of the remittance upon the bank, and to throw the remittance consequently in favour of bullion, to make the remittance by gold from the bank the most advantageous mode of remittance, rather than by exporting goods?—I conceive

it would have the same effect, in every respect, as altering the mint price from 77*s.* 10½*d.* to 83*s.* and reducing it two cents.

You have stated, that you consider the practical effect of a return to cash payments upon commerce, would be to improve the quality but diminish the quantity; can you form any rough estimate of the amount of diminution, which it would work upon the state of commerce, in order to have that improved quality?—No; I cannot give any standard by which I could give the information wished; I could not say in what degree.

Supposing the reduction of the quantity of commerce should be such as to throw a considerable proportion of the population out of employment, how would you then balance the convenience and inconvenience of a large proportion of unemployed population, against the more certain or uncertain commercial profits of the persons engaged in trade?—When I gave the answer, that I conceived it would improve the quality, and diminish the quantity, of trade, I had no regard to the parties who were thrown out of trade.

Would you have thought it prudent, previous to the battle of Waterloo, when the price of gold was 5*l.* 7*s.* and the exchange with Paris about 18, for the bank of England to have reduced its issues, so as to counteract and correct that unfavourable state of exchange?—I think it would have been playing into the hands of the enemy, completely.

You speak of the inconvenience that would arise to the public, if the course which you conceive the wholesome course, for the bank to resume cash payments, were to be followed; from what do you conceive that inconvenience arises; does it arise from the commercial habits of the public being formed upon the present amount of circulation?—A great deal from the habits of the commercial part of the community.

Has not the amount of the circulation in later years, particularly the issue of bank notes, led to extravagant speculations?—I think so.

Do you not believe, that a great part of the inconvenience to which you allude would be felt by persons engaged in extensive, if not extravagant, speculations?—I conceive, that speculators would suffer first, and in the greatest degree; but regular traders would likewise suffer, although not quite in the same degree.

Then, if it be understood that the bank conceive themselves obliged, with regard to the public interest, not to follow the course which, as bank, they would be inclined to follow, in order to avoid the public inconvenience which might ensue, and that were publicly known; do you not believe, that no check whatever would be imposed between the speculations now going on, and that wholesome state of things we should wish to see restored?—I conceive, that speculators are at present discouraged, so much as the bank, without impropriety can discourage them.

Are the Committee to understand, that the diminutions of the issues of the bank of England, which have lately taken place, have to a certain extent created inconvenience with that class of merchants who have had extensive speculations on foot?—I conceive, that the speculations of the present moment are diminished in extent, and are more supported by the resources of the parties engaged therein, than by the notes that the bank of England provides, either to them or to the public.

The diminution in speculation which has taken place, has been, in your judgment, in part at least, arising from the diminution of bank notes?—I think so; and I will take the liberty of mentioning a practice, which will give the Committee a clearer idea perhaps than I have given how this happens; because I conceive, some part has likewise grown out of the situation of the bank at Paris. The expected advantage of engaging in French stocks, occasioned a considerable difference to exist between the money price of that stock, and the time price, amounting to a rate of interest of ten, twelve, and sometimes fifteen per cent: the consequence was, that bankers at Paris invited parties here to draw bills upon them at three months date, and to remit a corresponding amount at the same time: the consequence was, the holders of bills at Paris got the remittances discounted, while they allowed the drafts to run on to the end of the three months: by these means, they provided themselves with capital to buy stock for the money price, and to sell stock for the time price, thereby realizing the difference between the rate at which bills were discounted, and the rate that the difference between the money price and the time price represented, thus without any real capital existing. If parties could find credit, they had the advantage of fictitious capital, and had a profit: the same thing has been attempted to be done to the bank of England, though not to the same extent. I conceive, that a less amount of speculation has taken place since the reduction of bank notes than existed previously.

William Ward,
Esq.

(13 February)

William Ward,
Esq.
(23 February.)

What has been the inconvenience felt from that reduction, to its present extent?—Many parties have failed; some of them of a speculative disposition, and some of them regular traders.

Within what period has that diminution of speculations, to which you allude in your answer, taken place?—I conceive that a diminution of speculation generally followed almost immediately the diminution of speculation in funded securities.

In your opinion, no estimate can be formed of what has been the inconvenience to the trade of the country, considered as trade, from the reduction which has taken place in the issue of bank notes, in consequence of the great speculations which have been going on in foreign funds?—It is very difficult to separate the two so distinctly as to inform the Committee upon the subject.

Since the diminution of bank notes, from twenty-eight millions to twenty-five millions, have you any means of forming an estimate what has been the inconvenience sustained by the trade of the country, in consequence of that diminution?—So many other circumstances have occasioned inconvenience, that I cannot state precisely, with any satisfaction to myself, what the amount is.

What has been the effect upon the exchange of that diminution of bank of England paper?—That I cannot trace, because so many things have been in operation, such as the dealings in French stock; I should say the effect has been this, if bank notes had not been reduced, the exchange would have been lower.

The exchanges have risen a little?—In a very trifling degree.

Can you state that any distress whatever has certainly resulted from the reduction that has already taken place?—Distress has arisen from many causes, and I cannot state how much is traceable to one cause, and how much to the other.

Do you know any one instance of failures which can be distinctly referred, and attributed to the reduction of bank notes in circulation?—I do not know of any party failing from an immediate want of bank notes, having good security to offer for them; but I conceive some parties have been indirectly affected by the diminution of bank notes.

Has there been any material reduction of price, in consequence of the reduction of the notes of the bank of England?—There has been a reduction of price; but so many other causes have operated at the same time, that I cannot say how much is attributable to one cause, and how much to others.

If the distress which has attended the reduction, which has already taken place in the amount of bank of England notes in circulation, being to the amount of nearly four millions, is so little evident and describable, what reason have you for thinking that a further reduction, to a similar amount, would produce distress so severe as that which you have described yourself to apprehend?—I conceive the effect of reduction increases, in a very accelerated ratio.

Have the goodness to state, whether you think it probable, that the reduction in the amount of bank notes in circulation, with a view to correct the exchanges and reduce the price of gold to 3*l.* 17*s.* 10*d.* per ounce, need be carried to such an extent, as to produce a general reduction in prices greater than to the amount of six per cent?—I think yes; because I anticipate that diminished confidence would follow, and therefore parties would part with their property at a very reduced rate to render themselves more secure.

If a greater reduction, than to the amount of six per cent, took place in prices generally, and of gold amongst the rest, would not gold flow by the common operations into circulation, and by that means relieve the distress, and restore confidence?—I think it would; but much suffering would take place during such a parenthesis, if I may so describe it.

Have the goodness to state, whether you believe that merchants who want bills discounted, are likely to have those wants accommodated in as great a degree, when the bank issues by far the largest part of its notes in circulation on exchequer bills and in loans to government, as when it immediately applies its capital and notes to the purpose of discounting bills supposing in both cases the total amount of notes circulated to be equal?—I think the less the amount of notes may be, that is out in advance to government, the more will be the accommodation that individuals will have in discount.

Would not the repayment on the part of government of a large part of the money now advanced on exchequer bills, enable the bank to advance a larger part on discounts, and thereby materially to relieve and assist the commercial world?—Yes.

Printed Would not that operate to such an extent as materially to relieve and mitigate the distress

distress which you think would result from a diminution of their notes in circulation?—I hope it would.

When the rate of interest rises above five per cent, does it not produce great inconvenience and distress to the landed and agricultural interest, as well as to the merchant?—I do not conceive I am in a situation of life to enable me to answer that question; I should conclude that it is so, but I cannot give a reason for it.

Have not you, in the course of your business, observed anomalies with regard to the rate of exchange and the price of gold, for which you could by no means account?—I have found them to an extent which it is very difficult to account for; I could account for them in part, and only in part.

Have the goodness to state some of those instances?—I have taken bills on one part of Spain, and drawn bills on another part of Spain, on the same post day, with a difference of seven or eight per cent; I have experienced doubloons in Spain to bear a premium of two per cent, and I have known dollars to bear a premium above those doubloons of near seven per cent, making a fluctuation of nearly nine per cent between those two metals. I have likewise drawn a bill on Paris, payable in gold, and taken a bill on Rio, payable in gold, at a difference of forty-five per cent.

Have you known such variations continue for any time, or have they been only single instances?—Only single instances, with regard to Rio; with regard to Spain, it happens for some considerable time, perhaps because the internal state of Spain is such that it is very difficult to transmit the metal. Smugglers or banditti will interfere; and likewise confidence is not open the footing it should be in Spain; with regard to difference in metals, during war, doubloons bear a premium, on account of the convenience of transportation; since the trade with India, parties have supplied themselves with silver from Gibraltar, and thereby occasion a premium to exist upon dollars, as compared with doubloons, because they are more applicable to the India market.

Is the quantity of gold at Rio subject to much greater fluctuation than it is in Europe?—There are many things that apply to the market at Rio, which I cannot conveniently explain; I believe that silver is very bad at Rio, and that the government is not to be depended upon exactly, whether gold is to be exported or not.

Is not the price of gold, compared with silver, lower at this moment than it has been for some time?—I conceive that here it has been partly in consequence of the demand for silver for the East Indies.

Do you consider the distress, which you represent to have recently occurred from the failure of different houses in the city, to be at all of the nature of a general distress?—Nearly so, I think.

You have stated, that the tendency of the present system of our circulation is to encourage excessive speculation, and that, by the resumption of cash payments, the quantity of our trade would be diminished, and its quality improved; has not the present system produced at intervals more or less distant, periods of stagnation and consequent distress to our manufacturing population from want of employment, greater than would have been felt if our trade had been kept within the limits which would have consisted with cash payments?—I conceive that periods of distress have taken place partly from that cause, but partly from other causes; I think the principal cause is the overtrading, that a full circulation enables parties to carry on.

Was not the year 1811, when government advanced upon commercial exchequer bills, one of those periods of distress, and the year 1816 another?—I should think that part of the distress of 1811 was occasioned by the Berlin and Milan decrees taking place; material relief was occasioned by the issue of commercial exchequer bills; 1816 I conceive to have been a state of distress that happened after the war, and perhaps was occasioned by returning from war to peace.

Were not there great failures of country banks in that period?—I do not immediately recollect.

You have stated, that the country banks generally increase their paper in some proportion corresponding with the increase of issues by the bank of England; and that country bank notes would generally decrease in their amount, if the circulation of the bank of England were diminished; are you not aware, that a very considerable and rapid reduction has sometimes taken place in the circulation of country bank paper, from numerous failures, and a general want of confidence in such paper, without any corresponding diminution in the circulation of the bank of England?—I believe it has.

Has not this rapid reduction in the amount of country bank notes been attended with considerable distress, and a great fall in the prices of commodities generally?—I believe so; but it is not in my line of business.

*William Ward,
Esq.*

(23 February.)

William Ward,
Esq.
(23 February.)

A great fall in the prices of commodities did take place in the year 1797, and again in 1816; are you of opinion, that in both these instances the rapid diminution of country paper was one of the main and operating causes of the distress incident to that rapid fall in the price of commodities?—I should think so.

You have said, that the distress in 1811 was much relieved by the issue of commercial exchequer bills; did not the increased issues of the bank on exchequer bills in 1816, very much relieve the distress existing at that time?—I consider so, certainly.

Under a system of cash payments, do you believe that the market price of gold will ever be permanently above the mint price, or the rate of our foreign exchanges, more below par than would amount to the expense of the transmission of gold from this country to the continent?—No; the market price would not exceed the mint price permanently.

Then, would the bank ever have occasion to pay more than the mint price for the gold they purchase?—I conceive they would not have to pay more.

Then could it ever happen, that in a system of cash payments, the bank should have made purchases at a considerably higher rate than the mint price?—I conceive they would not make purchases at a considerably higher rate than the mint price, for any length of time together.

You have stated, that you conceive the repayment by government to the bank, of a part of its advances, to the amount of upwards of four millions, has been counter-acted by a diminution of the government balances nearly to the same amount; and that you conceive, in consequence, that no repayment has yet been made, which would facilitate the preparations necessary for the resumption of cash payments; explain to the Committee, in what manner a diminution of the balances, deposited by the government with the bank, operates to counteract the beneficial effect, that in your view would otherwise have arisen from the repayment of the advances made to government on its securities?—I conceive, that when balances are withdrawn from the bank, bank notes issue from the bank to the extent that balances are withdrawn; therefore, when the bank advanced the loan of three millions, without interest, it was upon the understanding, that the public balances should remain nearly as they had been, I believe eleven millions or thereabouts; therefore, if the public balances were reduced as low as seven millions, four millions of notes were drawn out from the bank; and when the government repaid the four millions they only repaid back, as far as any purpose of reduction goes, what they had previously drawn out; no reduction would take place from that transaction.

Did not the repayment give a facility greater than existed, when the advance was made upon the government security, of making a reduction in the amount of its issues?—I conceive not.

If the balance of trade, or cash payments, should be for any length of time against the country, would not the effect of that be, to make the exchanges fall, and again carry the gold out of the country?—Such quantity of gold would go out of the country, as would correct the unfavourable balance.

The amount of the currency of this country being, upon the whole, diminished, and thereby the price of gold and other commodities being reduced, till gold returns to the mint price?—It would operate in two ways; first of all, the gold that goes out of the country would have one effect upon the exchange; and the quantity of gold in the country, being diminished, would become more valuable.

Mercurii, 24^a die Februarii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

SAMUEL THORNTON, ESQUIRE,

Called in; and Examined.

YOU are a bank director?—I am.

Have the goodness to state for what period you have been in the direction of the bank?—Since the beginning of the year 1780.

Have you continued, without intermission, since that period?—No; it is the custom, till a gentleman has passed the chair, that he goes out every third year, by rotation; since the year 1800, I have been in without interruption.

What do you think would be the consequences, supposing the law, which imposes the obligation on the bank to resume its cash payments on the 31st of July next, were not repealed, or altered, by Parliament?—The obvious consequence must be, that, in the present state of the exchanges with the continent, the whole specie in possession of the bank, without alteration in those exchanges, would be drawn from them and sent abroad.

Do you think it would be possible for Parliament now to fix any period at which the bank should be under the necessity of resuming cash payments?—I do not think it would be possible to fix any period with certainty, as the attainment of that object must depend upon events which the bank, at least, cannot control.

What are the events, the possibility of the occurrence of which you anticipate, and which, if they did occur, would prevent the bank resuming cash payments at a future period to be fixed by Parliament?—I mean the continuance of the investment of British property in foreign funds, and the balance of payments for corn, and other articles imported, being against this country, and the expenditure of large sums by British travellers in foreign countries.

Can you state to what extent British capital has been invested in foreign funds?—It is not within my power to do that.

So long as foreign funds pay a greater rate of interest than British funds, do you think the inducement to the investment of British capital in foreign funds will continue?—If the excess of interest on foreign funds is considerable, I think it will, to a certain extent.

Is not the rate of interest, which is received from the British funds, as compared to the foreign, itself a proof, that on account of the security of the British funds, there is a greater inducement to vest capital in them?—The preferable security of the British funds, added to the convenience of receiving the interest, and occasionally changing the property where persons reside, will give a preference; but I think the difference of interest between the foreign and the English funds, induces many persons to invest capital in the latter, which they might not do under other circumstances.

Does not the present rate of exchange operate against the remittance of capital to be so invested in foreign funds?—Not sufficiently so to prevent its being done, a calculation being made of profit upon the whole undertaking.

Supposing that Parliament did impose upon the bank an obligation to resume cash payments at a certain period, the expiration of twelve months from the present time for instance, what are the measures which you think it would be advisable for the bank to adopt, with a view to enable them to resume those payments?—The bank would endeavour, though at considerable loss to itself, to supply itself with all the gold in its power, and would, at or about the time, think it expedient to keep out or reduce an amount of bank notes as they could accomplish, without bringing distress upon the country.

Would not they be disposed to make the reduction in the amount of bank notes as gradual as possible?—Most certainly so, I consider it would be their duty so

*Samuel Thornton,
Esq.*

(14 February)

*Samuel Thorton,
Esq.
(24 February)*

to do; but in my opinion, the amount of bank notes cannot, to any good purpose, be much reduced below its present amount of twenty-five millions, although, for security to the bank at or about the time of opening, they might think it right to lessen that amount.

What would be the immediate effect of that reduction; do you conceive it would be an improvement in the exchange, and a fall in the market price of gold?—A reduction in the amount of bank notes may probably affect the exchange, in favour of this country for the moment, but, as I consider such a measure would cramp the industry, and check the production of the manufactures that are exported, it would not, in my view, have any permanent effect in that respect.

Do you consider the present amount of bank notes to be less than the interests of the country require?—The circulation of the country being composed of country bank notes, as well as bank of England notes, and occasionally in part of specie, I was unable to say what the demands of the country exactly require, or what is the supply, without knowing the collective amount of all those particulars.

By what criterion are you enabled to determine, that the present amount of bank issues, does not exceed the amount which the interests of the country require?—By the state of the money market in the Metropolis, in which there is rather a scarcity, than an abundance of money.

Have the goodness to state, in detail, the meaning you attach to the words "scarcity of money"?—I mean, a reduced sum in the hands of those persons, who are accustomed to lay out their capital in discounting bills, and in the investment upon floating securities.

For ten years previous to the year 1810, the amount of bank notes in circulation did not exceed twenty millions; the revenue, exclusive of loans, during that period, was larger in amount than it is at present, the general state of trade was flourishing; since that period, notwithstanding the diminution of revenue, the amount of bank notes has considerably increased; what are the grounds upon which you consider that increase, in the amount of bank notes, to be necessary?—I apprehend, that in the year 1810, there was a much larger amount of country-note circulation; and there was at that time more gold in the hands of individuals than there is supposed to be at present.

Then you do not consider, that the amount of country bank paper necessarily bears any proportion to the bank of England paper?—I do not consider that it necessarily bears a proportion to bank of England paper; but were the bank of England paper restrained considerably, the country paper, which is payable in bank of England notes, must be reduced also.

Is not all country bank paper payable in bank of England notes?—Yes.

The reduction of bank of England paper, may reduce the amount of country bank paper; but it does not follow, that an increase of bank of England paper will necessarily increase the country paper?—Decidedly.

Then what is the fixed amount of bank of England paper, from which you determine the relative terms of increase and diminution?—I have no fixed amount, and speaking of the increase, I meant to allude to the progressive addition made in late years; I know no other way, under the circumstances of the restriction act, to estimate what is the proper amount, than by watching the situation of the money market, and the demands of the public to be accommodated.

From July to December 1817, the average amount of bank notes in circulation, was twenty-nine millions two hundred and ten thousand pounds, in the half-year; from July to December 1818, there was only twenty-six million four hundred and eighty-seven thousand pounds, in bank of England notes, in circulation; do you think the reduction, to the extent of nearly three millions, in bank of England paper, has led to a corresponding reduction in the amount of country bank paper?—I am pretty certain there has been a great reduction in country bank paper in the period in question, but the exact proportion I am unable to ascertain.

Upon what do you ground the opinion, that there has been a diminution in the amount of country bank paper, within that period?—Upon the information of such London bankers as correspond with the country bankers, and information given me by several country bankers themselves.

Southampton 11th Dec. 1818

Supposing

*Sancti Filmar,
Esq.
(24 February.)*

Supposing the facts to be different from what you suppose them to be, and supposing it should appear, that instead of a diminution, there has been an actual increase of country bank paper; what inference should you draw from those facts; would it be, either that the present amount of bank of England paper was less than the demands of trade required, or, that the amount of bank of England paper in circulation, in the last half year of 1817, was greater?—I should think, that in the present, it was less than is required.

In regulating the amount of their issues, by what principle is the conduct of the bank of England guided?—I have always considered it my duty, to consider the amount of bank notes out, and what could be the cause for a call for an increase. If it appeared to be at a period when trade and manufactures were flourishing, that seemed to me a sufficient inducement; but if trade was under any degree of check, the same inclination to accommodate the public, did not seem to me justifiable. I also felt it my duty to look at the state of the foreign exchanges, and the price of bullion.

Are you speaking of your own individual opinion, or are those the principles upon which the committee of treasury acted?—It is not for me to say, how far those opinions influenced the mind of every other gentleman; they were frequently urged, and any considerable increase or diminution in the amount of bank notes, was made a subject of discussion.

Have the goodness to state your reasons for thinking it desirable to take into the account, the rate of exchange and the price of bullion, in regulating the amount of issues?—It must be obvious, that if there were an excess of bank notes, beyond what was required by the trade of the country, the price of bullion would thereby be raised; and I am ready to admit, that it would have the same effect upon the exchanges.

What proportion of the twenty-five millions, which are now in circulation, is out upon discounts; and what upon government securities?—I suppose the Committee do not desire me to speak with precision: About the proportion of one-third to two-thirds, upon government securities; by which I mean, advances immediately made to government, and exchequer bills purchased in the market.

Have the goodness to distinguish, in the amount of the money advanced on securities to government, between the amount of exchequer bills bought in the market, and other government securities?—The sum issued directly to government from the bank, by the last account, was about six millions, and the amount purchased, thirteen millions.

With regard to the interests of the bank, and of the public, what proportion do you think ought to be maintained, between the amount of bank of England notes out on discount, and the amount out on government securities?—In former years, I gave much consideration to that subject; and was very well satisfied, if one moiety of the issues of the bank were advanced upon government securities, and the other moiety upon discounts. If the resumption of cash payments is to be attained by a reduction of issues, it will be necessary that the bank should have much more of its funds than one moiety completely in its own power; but I have already stated that I could not advise the measure.

Was the period you allude to, in the first part of your answer, previously to, or subsequently to the bank restriction?—My attention was first called previously to the bank restriction, but I acted upon that principle when I was governor of the bank, immediately after that occurrence.

Supposing the bank again to have resumed cash payments, do you think it would be desirable that the same proportion should be maintained?—Being averse to any great reduction of the issues of the bank, which can be the only reason for altering it, I should be an advocate for that proportion.

Have the goodness to explain what are the advantages which you think would result from such a proportion of the issues of the bank being out on government securities?—I think there are advantages to the bank in having a portion of its issues upon more permanent investment than what is advanced upon discount; and there are not, at all times, good mercantile bills to be found for the whole of the bank's issues, as every private banker discounts for his customers, and will have a preference.

Supposing the whole amount of bank circulation to be out upon discount, would not the bank have a greater control over its issues than it could have in the case you suppose, of a moiety being out on government securities?—It would have a greater control; but as I am an enemy to any undue reduction of its issues, and it could be only valuable with a view to exercise it in that way, I do not see the advantage of having the whole of the issue upon discounts.

What is the amount of interest which the bank receive from that portion of their issues which is out on government securities?—It receives an interest of three per cent, and from the public, five.

Would it not appear, from the answers to these questions, that it would be more advantageous to the bank, that the whole amount should be on discount?—Decidedly

Why then is it desirable, with reference to the interest of the bank, that a moiety of its issues should be out on government securities?—The security on advances to government is preferable to the other, and the bank does not take into account the pecuniary interest alone in the consideration of this subject; it would be much better for the bank to have a reduced issue of all its notes at a higher rate of interest.

Supposing the total amount of bank notes in circulation was out upon discount, would not the amount in that case be regulated by the natural demands of trade?—I think not altogether; inasmuch as by the present demand upon discount, which is superadded to the issues made on government securities, the pulse of the public, if I may so speak, is as much ascertained as if they came to the bank for the whole issue upon discount.

Do not you conceive it would be for the advantage of the public, that there should be a fixed amount of bank notes out in circulation?—I think there is great difficulty in fixing upon any limit; inasmuch as if there is a great influx of gold, a proportionate issue of bank notes is necessary for payment of such gold whilst held by the bank; to this I would add, that upon occasions of public exigency, the bank has felt it to be its duty to step out of its ordinary course, by a temporary but liberal issue of its notes, which has frequently been but of short duration. It would be very practicable to limit the amount of the bank's advances upon government securities.

That portion of the bank circulation, which is issued upon discount, bears an interest of five per cent; to what extent do you conceive the rate of interest is affected by that portion of circulation which is issued on government securities?—The general rate of interest is lowered thereby; and we cannot expect, that persons will come to the bank to take money at five per cent, who mean to invest it in government securities at three.

It appears on a recent occasion, when the bank of France found it necessary to reduce the amount of their issues, they effected it by discounting bills only, which had a shorter time to run; having been in the habit of discounting bills at ninety days, they refused to discount bills, in the first instance, that had longer to run than sixty, and ultimately they limited them to forty-five; this had the effect of making a gradual reduction of the amount of issues, and in the opinion of the directors of that bank, the consequences produced much less embarrassment to the public than if they adopted any other mode: Supposing an obligation was imposed upon the bank to resume cash payments at the expiration of a twelvemonth, and consequently it would be necessary to make a considerable reduction, even in the present amount of their issues, do you think it would be desirable for the bank of England to adopt the course which appears, in the opinion of the directors of the bank of France, to have been adopted successfully in that country?—I think any change in the mode of discounting in this country, would materially affect public credit, and that it would be far preferable to decline a proportion of the bills offered for discount, than to make any alteration in the term for which they were so discounted.

What is the extent of the reduction below the present amount of bank notes in circulation, which you think it would be necessary to make, in order to produce that effect upon the foreign exchanges and the price of gold, which would enable the bank to resume cash payments at the expiration of a twelvemonth?—I have already stated, that I should like to see the effect on the exchanges produced by other causes; but I am of opinion that the bank should not try the experiment, by a reduction of its notes to a greater extent than one or two millions, from the present amount of twenty-five millions.

Do you think it probable, that a reduction to the extent you have stated would have the necessary effect upon the price of gold and foreign exchange?—I think it would, if the causes I enumerated, in answer to a former question, which have occasioned the unfavourable state of the exchange, should in any degree be done away, such as investments in foreign loans, and the balance of payments against the country from the payments for corn and travellers expenses.

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Supposing the experiment should so far succeed, as that the bank should be enabled, in consequence of the restoration of the exchange and the fall in the price of gold, to commence the payment in cash, do you think it possible that those causes could operate subsequently to that resumption, in such a manner as to make it impracticable for the bank to continue its payments in cash?—I think it would, inasmuch as in the latter end of the year 1816 to the beginning of the year 1817, such a state was obtained, and it fell back immediately at the close of the latter year.

In the case supposed, the bank will have actually resumed cash payments; but in that period to which you refer, the bank was under no obligation to pay in cash; does not this make a difference?—Although the bank was not under an obligation to pay in cash, they made large issues of gold during the time in question, by advertising notes of a particular description for payment in specie.

In determining the effects of an increase or diminution of bank notes, would it not be necessary to take into the account other circumstances than the mere nominal amount; would it not be necessary to have a reference to the natural demands of trade, as well as to the amount of country bank paper circulation?—It certainly would.

Do you conceive that the operation of the causes to which you have alluded might lead to such an increase in the market price of gold, as to make it impossible for the bank to continue the payment of its notes in cash?—I certainly do.

Between the year 1774, the period of the reformation of the gold coin, and the year 1797, in which the bank restriction took place, the market price of gold does not appear to have exceeded the mint price, at any period but one, and that only for a short time; why then do you suppose it probable, that after the resumption of the payments in cash, the market price of gold should not continue in the same manner to bear a fixed proportion to the mint price?—I apprehend the price of gold in various parts of the continent has risen since the period mentioned, and that the demand in other countries has increased the price upon us.

In relation to what articles do you consider the price of gold to have risen?—The best standard by which to measure gold is certainly the corresponding metal of silver; and the proportionate price of gold to silver in other countries, is higher than at the period in question.

Notwithstanding any difference in the circumstances of the country at the two periods, would not the effects of a great importation of corn, and the expenses of travellers on the continent, be very nearly the same?—They must in both cases affect the exchange.

Would they not affect the price of gold in this country, in nearly the same degree?—The price of gold generally follows the state of the exchange.

Would not the effect of such a reduction in the amount of bank issues, as might enable the bank to resume cash payments, be a general fall of the prices of all commodities?—A reduction in the circulating medium of the country would inevitably occasion a fall in the prices.

Have the goodness to state the nature and extent of the commercial embarrassment, which you anticipate from the reduction in bank issues, necessary to produce the due effect upon the foreign exchange, and upon the price of gold?—I apprehend very numerous failures among merchants, and a consequent stoppage of the pecuniary advances which they are in the habit of making to manufacturers, and from that cause a stagnation in the manufacturing parts of the country.

If it is probable, that a reduction to the extent of two millions below the present amount of circulation, might produce the necessary effect upon the exchange and price of gold, might not the reduction be so gradually managed, and with such discretion, as to prevent the embarrassment which you anticipate?—I think a reduction of two millions might be progressively made, without material embarrass-

Samuel Thornton,
Esq.
(24 February.)

ment; but when I stated an opinion, that the resumption of payments might be facilitated by a measure of that extent, I meant to accompany it with the expectation, that the causes which now counteract would not then exist.

Supposing the counteracting causes not to operate in a greater degree than they do at present; do you think the reduction of two millions would produce the necessary effect?—I very much fear it would not; when the exchanges began to turn, such a reduction in a short time would, in my opinion, materially assist in the attainment of the object.

The amount of government securities held by the bank, having increased, in the seven years subsequent to the year 1810, as compared with the seven years preceding, in the proportion of more than three to two; how do you account for that increase?—The year 1810 was, I believe, one of the years of the greatest exertion during the war: the amount of the unfunded debt was thereby considerably increased; and the bank, with a view to promote the public service, purchased a larger amount of exchequer bills, reducing, in consequence, the sum advanced upon discounts in a somewhat proportionate degree.

How do you account for the continuance of that proportionate increase during the whole of the seven years, subsequent to that time?—I apprehend, the amount of unfunded debt was continued at nearly the same amount of which a proportion has generally been held by the bank.

Are not the advances of the bank upon discount, necessarily limited to the amount of good bills, arising out of real mercantile transactions presented at the bank?—The bank use their best endeavours that they shall be so.

Is not the amount of bills, arising out of real mercantile transactions, limited by the extent of trade at the time?—Most certainly it is.

Would not the extent of trade be materially reduced by a great reduction of the issues of the bank?—I consider that it would; and if the reduction were carried to an indifferent amount, the trade of the country might be altogether put in a state of stagnation.

Would not a large repayment of the advances of the bank to government, without a corresponding issue upon discount, produce these effects?—Yes, it would; but when I contemplate the reduction to the amount I have spoken of, I have no apprehension but good mercantile bills may be found to the extent of a moiety of the bank notes now in circulation.

Would such mercantile bills be found unless the repayment was of a very gradual nature?—I believe such description of bills to be now in existence, but most probably a proportion of them in bankers hands.

Have you yourself observed that the foreign exchanges have been materially affected by the variation in the amount of issues by the bank, or do you infer that it must be so from reasoning?—I infer it from reasoning, and am of opinion, that a variety of causes must contribute to give a favourable turn of exchange; it is certainly a matter of fact, that when the amount of bank of England notes has been high, the exchanges have still been in favour of this country.

It appears by the evidence before the Committee of secrecy in 1797, that the treasure in the bank was reduced, in the year 1783, much lower than when the cash payments were suspended; how could such a drain have taken place if the price of gold was never above the mint price?—Previous to the year 1783, the drain of gold was not taken out by the course of trade solely, but large sums were sent for the public service to maintain the troops in America.

Could not these sums have been readily replaced, if gold was always to be obtained at the mint price?—I apprehend that the price of gold then quoted was in many cases merely nominal, and that though no higher sum was offered, there was not much of the article in the market; but it been to be obtained in any quantity, the bank would certainly have been a purchaser.

It appears by the accounts, that the advances to government in the years 1792, 1793, and subsequent years before the restriction, were nearly equal to, and sometimes exceeded the total amount of bank notes in circulation; how do you explain your former answer, that the proper proportion, while the bank was paying in cash, was one half upon discount, and one half on government securities?—I stated that

proportion to be, in my view, the most convenient one; how the amount of bank notes should be inferior to the advances to government, I cannot accurately account for, but that I suppose a proportion of those advances must have been made in specie.

Samuel Thomson Esq.
(24 February)

The silver coin being coined by government alone, and being limited as a legal tender to forty shillings in any one payment, can the intrinsic value of silver coin have any effect upon the price of silver bullion in the market?—I think it has.

Does good has to explain why?—The knowledge that a pound of silver is coined into sixty-six shillings, together with the demand for silver for the coinage, has, I apprehend, tended to raise somewhat the price, but it has been much more enhanced by the demands for shipments to India.

Has not the price of silver bullion as the market, continued at very nearly the same relative value to gold, since the regulation of the silver coinage, that it had previous to that regulation?—The variation has been greater of late, during the year 1818, when the price of gold has been *at* 1*l*. 6*s*. the price of silver has been *at* 5*l*. 6*s*.

Was not the price of dollars, at that time, considerably above their intrinsic value in silver?—Most certainly it was; the price of dollars ought to be below that of bar silver, and it is above.

Do you think that the price of dollars had any effect upon the bullion market in silver?—I think it had.

Having stated that, in your opinion, the late mint regulations, by which a pound of silver was coined into 66 shillings, have had an effect upon the price of silver as bullion; do you think those mint regulations have operated, and do operate, upon the rate of our foreign exchanges?—If silver had not been limited, as a legal payment, to 40*s*. and had been a standard of value, it certainly would, under existing circumstances; though it may have had some effect, I think it does not operate to any great degree.

Previous to the late silver coinage, the silver currency circulating in this country consisted of pieces circulating at the rate, instead of 66*s*. to the pound, of at least a hundred pieces to the pound; and the bank tokens also circulated at a current value, greatly exceeding the intrinsic value of those tokens, in a greater proportion than as 66 to 6*s*; are you of opinion, that during that period, the circulation of those shillings, and of the bank tokens, affected the bullion price of silver?—The issue of bank tokens at the denomination at which they were circulated, was founded upon the then price of silver, with a view to prevent inflation on one side, and their being melted on the other; I apprehend the bullion price of silver was regulated by other circumstances, by the demand in general.

In point of fact, you are not of opinion, that the tokens and shillings so circulated, affected the then existing bullion price of silver?—I do not see how they could otherwise affect the bullion price of silver, than as the bank were purchasers, in order to supply the demand for an issue of tokens.

Do you conceive they affected the relative price of silver bullion, to gold bullion?—I do conceive, that when a high price is given for silver, gold will rise to a proportionate price.

Price measured by what, by paper, or a metallic currency?—By whatever may be the currency of the country.

The present measure of that would be, bank notes?—Of course.

Directing your attention to the state of the exchanges, between April 1816 and April 1817, supposing a favourable state of exchange of this description to be produced, either by the operations of natural causes, or by a further reduction of the issues of the bank of England, regard being had to the present state of the treasure of the bank; do you conceive the bank could proceed safely to resume its cash payments, or are you of opinion that some further time, under such a favourable state of exchange, would be necessary to make preparations for such opening?—I conceive, that some further time to make preparations would be necessary, but a much shorter time, if the state of exchange that subsisted in the latter part of the year 1816, should have been produced by natural causes, rather than by a previous reduction of the issue of bank notes, and especially if it had continued sufficiently long to justify a reliance on its permanency.

Is in your opinion, that a state of exchange, produced by what you term natural causes, is to be considered a more stable state of exchange, than the same state of exchange produced by a reduction of bank issues?—Most decidedly so, because a state produced by the reduction of bank issues, whilst it operated in favour of the exchange,

Samuel Florence,
Esq.
(14 February.)

exchange, would, in my view, cramp those exertions which would be most material to keep the exchange permanently favourable.

Do you indulge any hope of the exchanges being favourable, in consequence of the operation of those natural causes, independently of the reduction of bank notes?—I certainly do.

Can you form any opinion, within what probable time such favourable state of exchange may be expected to take place?—I could wish the operation of the foreign loans to have subsided; and, without the misfortune of a bad harvest, I should have no apprehension, but towards the latter end of the year 1820, we may expect to see such a state.

Are you of opinion, that the general prosperity of the country would be more favoured, by suffering such natural returns to operate its own purpose, than if the same were produced by what might be termed, a forcible reduction of the issues of the bank of England?—I am decidedly of that opinion.

Can you form any general estimate of the probable amount of gold coin, that will be necessary for the circulation of this country, after the bank of England shall have resumed its cash payments?—The opinions given upon the subject of gold in circulation, antecedent to the bank restriction, are so vague, that I hardly know how to form an opinion; the prevailing opinion has been, that there was a circulation of thirty millions; but it has, as is well known, by some authors been carried much farther.

Do you include in that, the circulation both of Great Britain and Ireland?—Yes, of both countries.

Assuming that, exclusive of what is now in the coffers of the bank, twenty millions additional would be requisite for completing the currency of the country; and assuming the exchange to be as stated, between April 1816 and April 1817; within what period, is it your opinion, that the proposed quantity, of twenty millions could be imported for the service of the currency of the country, without producing again an unfavourable state of exchange?—I am of opinion, that to purchase bullion much above the mint price, with a view to force it into the country, tends only to defeat the object; but that, when it comes in through the natural course of trade, it will flow in considerable quantities; and the sum mentioned may be obtained in the course of two or three years after the exchange is steadily fixed in favour of this country.

You have stated, that you conceive the amount of bank notes, which it would be necessary to retain permanently in circulation, would be about twenty-five millions; is the Committee to understand, that is that amount, you include the notes of one and two pounds?—I do.

Supposing those notes to be retained, would twenty millions of gold be necessary for the purposes of our circulation?—If the one and two pound notes issued by the bank of England, and those of the same description issued by the country bankers, are retained, a much less sum than twenty millions would suffice; but by the experience I have had, and particularly by what I know to have been the state of Scotland, antecedent to the restriction, where alone, notes of that denomination were in circulation, I am led to the opinion, that notes of small denomination, and gold coin, will not circulate together at the same time.

Do you mean to state, that a preference would be given to the small notes, over the coin, as was the case in Scotland?—It is too much, under present circumstances, to say, that preference will be given to notes, after the discredit that has been attempted to be thrown upon them; but I incline to the opinion, that if they do maintain their circulation, we shall see very little coin in circulation.

Was there, to point of fact, any eagerness manifested on the part of the public, to procure gold coin from the bank, when a partial opening took place, the exchanges being then favourable to this country?—There was a great deal of gold coin taken out of the bank, in exchange for notes which were withdrawn; but I always believed it to be for the purpose of sending abroad; because the exchange did at that time afford a profit.

You have stated, that the causes that prevent the resumption of cash payments are, investment of British property in foreign funds; the balance of payments for corn, and other articles, being against this country; and the expenditure of travellers on the continent; was not the investment of British property in foreign funds going on, in the course of the year 1816-17?—I believe it began the latter end of the year 1816.

Was not the balance of payments as great against the country at that period, as it is at present?—I apprehend, that at the conclusion of the peace of Paris, in 1814,

1814, there were very great shipments indeed made from this country; and that they became due, and in the course of payment, the latter end of 1815, and the beginning of 1817.

Samuel Tiersden,
Esq.
(24 February)

Were the shipments greater at that period than in the course of the last year?—I have not the means of judging what they were in 1815, but I should think they were not inferior in the preceding period.

You have stated, that an increased issue of bank notes for the purchase of gold stands on a different footing from an issue for discounts, or on government securities; what is the difference to which you allude?—The difference is, that the gold in possession of the bank is solid property, in return for an equal amount of notes that have been paid for it; the superfluity of notes beyond that sum are loans to the merchants, in advances upon discounts.

What is the difference with respect to the effect of the amount of the issue, whether that amount proceeds from discounts, or from the purchase of bullion?—The amount advanced for the purchase of bullion is a sum given to the owners of that bullion, in exchange for an article of sale to the bank, and were the notes all in circulation the specie would be current, or the bullion in question would be in the hands of its original proprietors.

Is the Committee to understand, that you would think it a safe course, with respect to the amount of issues of the bank, to increase them in any given proportion, say six millions, for the purchase of bullion, retaining the amount of issues for discount, and upon government securities the same?—No, certainly not; but if a large sum is held in bullion it has an obvious tendency to increase the amount of notes, or the accommodation given to the public would be greatly diminished, for the bullion would be converted into coin, and circulate, if bank notes to represent it did not.

Is the Committee to understand, that the bank cannot make preparation for the resumption of cash payments, by a considerable increase of its amount of bullion, without also throwing into circulation an increase of bank notes?—I certainly do not contemplate an increase of bank notes, but I conceive that the amount of notes issued for bullion will occasion a reduction in the amount issued by discount, or on government securities.

You have stated, that when the exchange began to turn in our favour a reduction of two millions in the amount of the bank issues, would, in your opinion, very materially assist the resumption of cash payments; in addition to such reduction, assuming that it may be necessary to add six millions to the amount of bullion in the coffers of the bank, by what course would the bank proceed simultaneously to reduce in the amount of two millions the issue of its notes, and to add six millions to its treasure?—By reducing its issue either on government securities, or on discounts, or a proportion of both.

Would this be the course that you should recommend, with a view to that resumption?—That is the course I proposed and meant in my answer to the former question.

You have stated, that among other criteria by which the bank regulated its issues, they took into their consideration the state of the exchange and the price of bullion; within what limits of a price of bullion above the mint price, and of a rate of exchange unfavourable to this country, did the bank think it necessary to resort to this criterion for diminishing their issues?—I stated it to be the rule of my individual conduct and opinion, but I cannot say that any precise data, as to exchange or the price of bullion, have been laid down as a determinate rule of conduct by the bank.

You have stated, that, in your opinion, a satisfactory arrangement with respect to the amount of the issues of the bank would exist, if one-half of that amount represented government securities, and the other half commercial discounts, must not a considerable proportion of the issues also be allowed for the purchase of bullion?—Most certainly.

Then that proportion of one-half for each of the other purposes is exclusive?—Exclusive of the purchase of bullion.

At present the amount of issues upon government securities is to the whole amount of notes in circulation, as 25 to 26. Having regard to the proportion of issues which must be made for the purchase of bullion, in what proportion ought the government advances to be reduced, in order to establish the proportion of equality between those advances and the commercial discounts?—My opinion is, that the advances of the bank to government should be reduced one-third of their present amount, with a view to assist the resumption of cash payments.

James Thomson,
Esq.
(24 February.)

By what evidence would you be able to judge, supposing the reduction of government securities to have been made in the proportion of one-third, whether such reduction was sufficient for the purpose of facilitating the preparations necessary for the resumption of cash payments?—By the general state of the trade of the country, and the situation in which the exchanges may then be.

If the exchanges continued unfavourable, should you think a further payment, on the part of government, desirable?—If the bank is limited to the precise time at which to resume payments, they must draw in their resources, both from government and the public, to effect the measure at all; but under such unfavourable circumstances, I cannot think a metallic circulation would be permanently maintained.

Is it your opinion, that there should be no limitation, in point of time, for the resumption of cash payments?—I am far from wishing it, but I should prefer a period being taken, and that the bank should anticipate the expectations of the public, rather than wait its expiration.

In order to afford the bank an opportunity of this satisfactory anticipation, what period would you recommend should be taken?—I am extremely reluctant to name any period respecting events, which I can neither foresee nor control; but I should much wish that a period, not less than two years, and in no case exceeding three from the period of the present restriction, should be the one adopted.

With a view to anticipate that period by an earlier resumption, what course, in your opinion, ought the bank to adopt?—The procuring as much specie as in their power, at reasonable limits, and rigidly restraining its issues to the present amount; I beg to assure the Committee, if an opportunity for opening was afforded the bank, and not eagerly embraced by the majority of that corporation, I would not continue one hour longer in the direction.

Supposing the investment of British capital in foreign funds, to have ceased, or nearly ceased to operate, and a state of secured peace to continue, and notwithstanding those circumstances, the exchanges to continue unfavourable; what course, other than a diminution of the amount of issues, would you think ought to be resorted to, to effect a resumption of cash payments at the end of the proposed period of two or three years?—I know no other course, but a reduction of issues; but I submit to the consideration of the Committee, that the difficulty in this case arises from the different situation of the country, to what it was antecedent to the restriction, in the amount of its debt, and the revenues raised on the subject, and the extended transactions of the country, which must now be carried on by a circulating medium of a much increased amount.

You have stated, that the effect of a diminution in the issues of the bank, would be a fall of prices generally, and an improvement in the exchanges; but that the effect of the general fall of prices would be, to cramp those exertions which would be necessary to keep the exchanges favourable, and that in consequence of such fall of prices, they must soon again turn against this country; would not the effect of a fall of prices generally be, to create an increased demand, and consequently increased export of goods to foreign countries?—A fall of price in the articles of manufacture will carry them cheaper to the foreign market, and may, in that way, increase the demand; but on the other hand, it is necessary that the manufacturer should receive pecuniary assistance from the merchant, who is the purchaser of the article in the first instance; and were the circulation of the country materially diminished, I incline to think, that the assistance from the merchant to the manufacturer would be withheld, and counteract the effect produced by the reduction of prices.

Would the pressure occasioned to the manufacturers from the circumstances described by you, be temporary, or be likely to be permanent in its operation?—Temporary distress often leaves permanent consequences; and we have found, that temporary accommodation has frequently been the means of reviving or establishing manufacturers, of which a remarkable instance has occurred, since the peace, in the iron manufacturers of this country, who, by a loan of temporary amount, have been set to work, and are now in the fullest state of manufacture.

Would it not be in the power of the bank to afford temporary accommodation, in particular cases, consistently with effecting a gradual reduction in the amount of their issues?—I think it would; but if there were a precise limit to the amount of their notes, it would embarrass them in that particular.

Did not the amount of the issues of the bank of England fluctuate very considerably, during the whole period when they paid their notes in specie, upon demand?—It did.

Could that fluctuation be regulated by any other circumstance, than the suc-

tanting demands of the public, the bank being then obliged to have reference to the market price of gold?—Certainly not.

Would not the amount of those issues fluctuate in the same manner, according to the wants of the public, under the restriction, if they were now to have reference to the market price of gold?—It may be right for the bank to regulate its conduct, in a certain degree, by the market price of gold; but I do not know that the demands of the public upon them would be regulated by that rule.

You have stated, that you conceive twenty millions of gold could, under the description of exchange before alluded to, be obtained in two or three years; direct your attention to the paper the bank have delivered in, of the state of their treasure; you will find, that in May 1815, the treasure of the bank was represented by No. 420; that in the month of October 1817, it was represented by the No. 3,350; and that the bullion of the bank was progressively increasing during the period of twenty-nine months; could the bank, within those periods alluded to, of twenty-nine months, have purchased a larger amount of gold than they did, without essentially deranging the price of gold in the market?—I am of opinion, they could not.

Did the bank, between the years 1807 and 1810, afford discount to bills, which have since been described by the name of 'anticipation bills,' being in fact, bills drawn upon London bankers, at sixty days sight, and accepted by them, upon the security of deposits of bonds, mortgages, or other sufficient securities, deposited with them; such bills, when due, being repaid by other bills, drawn in like manner, and at the same date?—Certainly not. When the bank has, out of its usual course, given accommodation to mercantile houses that are in difficulty, it has been almost invariably upon the personal security of merchants, and others, who have themselves taken deposits of the nature described in the question, as a countervailing security to them, with an understanding, that as such bills became due at the end of each two months, they should be again discounted, if the circumstances continued the same.

If an act of parliament passed, in the same words as those which have hitherto passed, granting to the bank an extension of time, for three years from July next; would the bank think themselves called upon to make preparations for the resumption of cash payments at the expiration of that time, in such earnest, as to induce them to attempt to raise the rate of exchange, and lower the price of bullion, by a diminution of the amount of their notes in circulation, below the amount of twenty-five millions?—I am confident the bank would feel it their duty, to use every means that they thought could conduce to the attainment of the object.

Have the goodness to explain, whether they would think a reduction of bank notes below twenty-five millions, a probable means of attaining their object?—I have already stated, that I think, other circumstances being also favourable, a reduction below twenty-five millions should be tried; but if the question means, a reduction of the notes to somewhat like half of their present amount, I think it would occasion a convulsion in the mercantile interest of the country, that would not only defeat the object, but would bring merited censure on the bank, if they attempted it.

Would the bank think it necessary to proceed in the diminution of their notes, below the amount of twenty-five millions, until they were induced to stop, by being convinced, that that process of reduction was productive of very considerable distress in the country?—It is too much for me to say, to what extent the bank would carry the reduction; but whilst it can be effected, consistently with the maintenance of the trade and manufactures, no motives of interest would induce them to keep them up.

In the answer you have given, are the Committee to understand, that you are delivering the opinion of the Treasury committee of the bank, or your own opinion, individually?—My own opinion, certainly.

Does not the public distress, stated in your answer to the last question, refer to what you conceive would be the consequence of a diminution in the circulating medium of the country?—It does.

You have stated, that a considerable reduction in bank of England paper would have the effect of producing a favourable foreign exchange; you have also stated, that the consequence of repayment of the advances from the bank to government, would be productive of great public injury, by the contraction with which it would be accompanied, in the amount of the circulating medium of the country: supposing the effect of a favourable foreign exchange to bring gold into the country, would not such gold, after being coined at the mint, in a great measure relieve the injury which you contemplate from a reduction of the paper currency of the country?—Certainly; if gold is in circulation, fewer notes will be wanted.

Samuel Thornton,
Esq.
(24 February.)

Then the effect of a favourable course of exchange, and an importation of gold into this country, might be, that of giving to the public a circulating medium, consisting of a mixed currency of paper and gold, equivalent to that which now exists in the country, consisting of paper only?—It would.

Do you believe, that under a system of cash payments, the market price of gold, such price being measured by a gold currency of full weight, or by paper convertible into such gold currency, ever can, even for the short period of one month, be above the mint price?—I believe it has been, for a short period.

Will you state the period when such a state of things has existed?—I am not at present able to answer that question; but the fact is stated in Mr. Newland's evidence before the Committee of 1797.

You have stated, in the former part of your evidence, that the balance of payments is now against this country; upon what facts do you ground that assertion?—Principally upon the state of the exchange; but taking into my consideration the remittances that are making for payments into the foreign loan, and that the drafts for coin, imported last year, are not entirely liquidated.

Veneris, 26th die Februarii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

JOHN IRVING, ESQUIRE,

A Member of the House; Examined.

John Irving,
Esq.
(26 February.)

IN what line of business are you engaged?—I am a partner in the house of Messrs. Reid, Irving, & Co. of this city, carrying on trade as general merchants.

Supposing that an obligation were imposed upon the bank, of resuming cash payments within twelve months from the present period, in what manner do you think it would affect commercial dealings generally?—In the view which I take of the nature and amount of the circulation, I apprehend it could not fail to produce a most prejudicial effect: it would narrow operations of commerce: it would check the extent of manufactures, and would produce the greatest evils to the public prosperity in general.

What would be the measures which it would be necessary for the bank to take, in your opinion, in order to enable them to resume cash payments?—The measures which I think it would be necessary for the bank to adopt, would be to diminish its issues.

Would the effect of a limitation of the issues of the bank be, in your opinion, to restore a favourable rate of exchange, and to reduce the price of gold?—I think this is a question of degree, and some of its effects would depend upon the manner in which it was carried into execution. The immediate consequence of a diminished issue of bank notes would be, to create a great scarcity of money, and consequently, distress: the result which that would produce, would, in the first place, be to force exportation of commodities, at whatever prices they might probable be sold for in the foreign market: another operation would be, for those who are possessed of foreign credits, to make use of them to their fullest extent. In this manner, bills would become more abundant, and the means of the purchasers would be proportionably diminished; it would also check importations: this, of course, would tend to raise our currency, in comparison with the currencies of foreign states; but, unless this operation could be rendered permanent, I doubt whether or not a retrograde course in the exchange might not be the result. Goods sent abroad, and not disposed of, but drawn upon as an hypothecated property, must be redrawn for, and bills, which have been drawn upon credit, must be repaid at the expiration of their usance, which also would produce redrafts; and unless there were some other causes, to produce a balance of payment in our favour, it occurs to me, that it may be questionable whether the heightened rate of exchange, produced by such means, could be expected to be permanent.

Putting not of consideration the embarrassment of trade, which might be occasioned by a limitation of the issues of the bank, do you think it is in the power of the

the bank, by such limitation, to restore a favourable rate of exchange, and to reduce the price of gold?—I am of that opinion.

What amount of reduction of issues below the present rate would, in your opinion, produce such an effect upon the exchange, and upon the price of gold?—I have no means of making such a calculation, and consequently I cannot presume to offer any opinion upon it here.

If the rate of exchange was not unfavourable to this country, and the market price of gold not above the mint price, with a prospect of their continuance, do not you think it would be possible in that case for the bank to resume cash payments?—In the case supposed, I think the bank might resume its payments in specie, more especially if the public expectation were steadily fixed upon the object; but if this state of things were to be produced through the distress of the country (with which I couple the inevitable consequence, diminished production of every kind) I doubt of the permanence of the measure. It must also be considered, that if the exchanges were at par, or only slightly in our favour, the supply of bullion which would be necessary for the bank, might turn them against us.

In March 1816 the exchange was at par, and it continued so for nearly sixteen months; supposing the bank had in March or April 1816 resumed cash payments, what, in your opinion, would have occurred to prevent their continuance?—The same causes which depressed our exchanges, I think, would have operated to prevent a continuance of cash payments, without material embarrassment. The causes to which I allude, are, the superior advantages which the employment of capital gave in continental countries, and which, as long as they continued, would probably have operated as a drain upon our specie. The causes to which I chiefly refer, are the foreign loans, and the demands generally by continental governments upon the circulating medium of their various countries.

Does not the nature of the business in which you are engaged, enable you to form a judgment upon the state of exchange at Paris, and the state of the circulating medium in that country, generally?—I have some general knowledge upon the subject; but I would neither state it as being correct, or precise.

Is it your opinion, that the remittance of capital from this country, for the purpose of investment in foreign loans, would necessarily lead to a drain of its metallic currency?—That would depend upon the state of your payments generally; if the balance of your payments were to be against you, I do not see in what other manner that transaction could be carried into effect.

Ought not the remittances from France, which are necessary on account of the sums due to foreign powers, to produce the same effect upon the metallic currency of that country?—Precisely; but as far as my experience and knowledge of the subject extend, that cause has not yet arisen, or if at all, to no very great extent. It is true, that from the end of October, I believe, to the beginning of December, some demands upon France were made by the various Powers; there was some emigration of gold also to St. Petersburg, not for public purposes, but induced by the state of the exchange, and the profit which such transactions then gave. I think, as far as my observation extends, that the manner in which those payments of France have hitherto been chiefly made, is either by the hypothecation of their stock in foreign places (I mean by individuals) and drawn against, or by positive sales, taking the principle always in view, that whatever balance of payments may arise, must be paid in specie; and therefore, whatever circumstance, such as an exportation of commodity, may tend to lessen that balance or to equalize it, must produce its concomitant effect.

Including then the remittances which are due from France to foreign powers, do you conceive the balance of payments is upon the whole in favour of France?—I hold in my hand an account of the rate of exchange of Paris on the 5th of October and on the 22d December; I find from that account, that from an eighth to a half per cent, is the whole of the variation that existed during those periods, between Paris and those places with which she exchanged in metallic currency. I find also, by a reference to the same documents, that the variation in exchange between London and Paris, is four per cent in favour of the currency of Paris; from which I infer, that the balance of payments between France and those continental countries which I have mentioned, could not have been material, as far as relates to the operations with England. It may be accounted for in this manner, that the distress which prevailed at Paris in some part of that period, rendered it expedient for every person connected with trade, to make use, to the fullest extent, of their foreign credits; the same causes produced a diminished price in

John Jacob
Esq.

(25 February)

John Erving,
Esq.

(26 February.)

their public funds, which diminished price created a demand and purchases to a considerable extent in England; both causes, therefore, operating to depress our exchange, as far as the means of this country to furnish specie, it was exported, and I have reason to know that it was very large, and but for that, I apprehend the exchanges must have been lower. The accommodations which England was enabled to render to France, were far beyond the powers of the other places with which she is in the habit of exchanging. The panic of Paris spread with instant and rapid effect to Amsterdam, to Hamburgh, to Frankfort, to Leipsic, to Vienna, and every other commercial place in the north of Germany; interest rose to nine and ten per cent, and the same operations with England which took place in consequence of the pressure of the times, took place also in the places to which I have alluded, and acted as a weight upon the general exchanges.

Do you know whether there was an exportation of specie to France from those countries which have a metallic currency?—In a report published by the bank of France, I see that stated; but from the position of the exchanges, I must doubt the correctness of the statement.

It is your opinion, that from this country, where the circulating medium consists of paper not convertible into coin, the exportation of specie took place; but that from those countries which had a metallic currency, there was no exportation?—That is my opinion.

Why then do you infer, that supposing the bank should resume cash payments, and consequently a metallic currency become the foundation of our circulating medium, there would be, subsequent to that event, exportation of specie from this country?—Because I think your currency would have been attracted by the superior profit which capital would have yielded, employed in the manner to which my former answer refers; and as far as my opinion extends, I think, that until the value of capital is more assimilated with your own, in the other countries of Europe, that whatever may be the extent of your gold and silver, you could not, with certainty, calculate upon retaining it in circulation.

Does not the circulating medium of France either consist of coin or of paper convertible into coin?—It does.

Notwithstanding the remittances which it was necessary to make from France to foreign powers, and notwithstanding the embarrassment which the necessity of those remittances occasioned, does it not appear, that the exchange between Paris and those countries which had a metallic currency, never varied more than from one half to one eighth per cent?—It does so appear.

Do you conceive that the remittances due by France to foreign powers, were not in fact made in coin, but in commodities?—In a material degree by drafts.

Then supposing we had a metallic currency, why should not the remittance of capital be invested in foreign securities, be effected in the same manner in this country?—Almost undoubtedly, if commodities other than gold and silver were to go abroad, they would answer precisely the same effect as would the precious metals.

Would the resumption of cash payments by the bank produce, in your opinion, a fall in the prices of government securities, and increase of the rate of interest?—I think it would.

Would not then the resumption of cash payments by the bank have the effect of lessening the inducement to the investment of British capital in foreign securities?—This I think would depend upon the degree; a slight or immaterial depression I should think would not operate as any material check to that disposition, because the interest yielded by foreign funds is so much, in disproportion to our own, that the depression must be very great before it turns aside the speculation of such persons, as have concluded in their own minds that foreign funds are a secure investment of capital. The unfavourable rate of exchange undoubtedly, as far as it extends, is a discouragement, but I apprehend that has not produced any very material effect.

Assuming the present amount of the circulating medium issued by the bank to be twenty-five millions, do you think that amount too great or too small for the natural demands of commerce?—Without any reference to the specific amount of issues, I think the present circulation is infinitely too small.

On what grounds do you form that opinion?—The grounds upon which I form that opinion are, that persons who in current and ordinary times find no difficulty in converting securities into cash, experience now the greatest difficulty. I observe a material depression in the price of all imported commodities, and though the pressure has not yet nominally forced down the price of our staple productions, yet I have reason to know, that sales are effected with difficulty, and I infer that they will

very

very rapidly follow the course which has already taken place upon imported goods. I infer also, that the circulation is insufficient, from the price of exchequer bills, which vary according to the plenty or scarcity of money; the government, I believe, issued them at twenty shillings premium, and yesterday, by a note which I hold in my hand, the variation in the course of the day was from five shillings premium to two shillings discount.

John Young,
Esq.
(26 February.)

The exchequer bills to which you refer bear an interest of about three per cent.—They do.

May not other causes than the reduction of the currency have operated to reduce the prices of the articles imported, and on what ground do you infer that a reduction of prices will operate more slowly upon what you call the staple commodities, than upon those which are imported from foreign countries?—I think other causes may have operated upon some of the commodities to which I have alluded; but I find a general depression in every commodity, and if I were to represent what the fact of the state of the market at present is, from one part of the kingdom to the other, I should say that there is hardly any buying or selling by the merchant. The reason which I would assign for imported commodities feeling the effect of the pressure of the times earlier than home productions is, that they are in the hands of a totally different class of persons; imported commodities are in the hands of persons who generally are at the bent of their capital, and who cannot with convenience therefore wait for sales; the other commodities to which I allude, are generally otherwise circumstanced; the holders have fewer engagements to perform, and therefore the pressure upon them reaches them more slowly, though with equal certainty.

Do you attribute this general stagnation of trade to the reduction of the issues of the bank?—In answering this question, I should be led to trace the effects to the period when I apprehend the first stagnation took place. The first stagnation took place, I apprehend, about July last, when some part of the public thought it was the intention of His Majesty's government to remove the restriction in the month of July next; that apprehension producing its effect, according to the various opinions of the individuals who were likely to be immediately affected by it; but I think the apprehension was not materially entertained, until there proceeded from the governor of the bank, on the 5th of October last, at a quarterly court of the proprietors, a declaration to this effect, "that if the bank did not return to cash payments in July next, it would not be the fault of the bank." I believe I do not err in giving to the honourable Committee the precise words; they made a deep impression upon my mind, and I think I cannot be mistaken in their general import. I confess I was much surprised to hear the declaration, because, coupling (which I necessarily did) this consideration that with due regard to the interests of the public as well as the interests of the bank, I thought this course could not by any possibility be resorted to, at that time proposed; the impression of that declaration, I apprehend, somewhat abated in the public mind, and I should state, as matter of opinion, that until the appointment of the Committee to which I have now the honour to address myself, the public was somewhat relieved from their apprehension, and that the times, as I before described them, may be considered as current and ordinary.

You conceive then, the stagnation of trade was produced, not by any diminution in the issues of the bank, but by a general impression that the bank would shortly resume cash payments, and therefore it was necessary to make such preparations as might accommodate the commercial dealings of the country to the new state of the currency?—That impression was fortified by the fact; because the public knew that the bank had diminished its issues.

But the issues of that half year, in which you state this stagnation of commerce to have originated, exceeded the amount of issues of any period between the year 1810 and 1815, and equalled the amount of issues for the eighteen months that elapsed between July 1815 and December 1816?—I have alluded to specific periods; and I apprehend if reference is had to the account, delivered in to the House of Commons, it will be discovered, that during the half year, without reference to the average, there were periods when the issues of the bank were unusually low.

Do you conceive, that such an impression as you have described to have been made upon the public mind, will produce at a future period the same effects upon confidence, which it appears to have produced when made in July and December 1816?—I think that the effect of such an impression would depend entirely upon circumstances. If the country were restrained in its commerce, and its operations were few and to a small amount, and consequently that the engagements of individuals were but small, I think the impression would be less.

John Irving,
Esq.

(26 February.)

Do you conceive then that it will be impossible for the legislature to fix any definite period *whatever* to which we can, with security, look forward for the resumption of cash payments by the bank?—I should say, that it is not at all a question of time, but a question of circumstances; and that the legislature, in my view of the case, would best ill discharge its duty by forced and unnatural means to press those circumstances into any precise period of time. If an abundant and prosperous trade, seconded by extended productions, whether arising from our manufactures, or resulting from our foreign trade, or from our soil, were to induce a state of things, so that the balance of payments might be in our favour, I think there could be no doubt the exchanges, raised upon such a basis, would be permanent, and therefore that cash payments might be resorted to with security; but if cash payments are to be produced through a limited currency, acting upon a diminished production, I question whether such a position would produce a rate of exchange that would remain permanently in our favour.

What, in your opinion, is the alternative which the legislature can adopt, other than either the fixing a definite period for the resumption of cash payments, or the unlimited suspension of them?—I think there would be great inconvenience in fixing a limit; because that course has too frequently been resorted to already, either for the peace of the public or its prosperity; and though I am aware that it must be inconvenient not to state a precise period, yet if I am asked the alternative, I would rather have the one course than the other, depending upon circumstances arising, which would enable the bank to return to cash payments, and depending (which I undoubtedly would do) upon the bank conducting their affairs in such a manner as to lead as early as possible, without public inconvenience, to such a result.

The question is not, what is the relative value of those two alternatives, but whether there be any other which it is possible for the legislature to adopt?—I am not aware of any other.

Then upon the whole it is your opinion, that for the advantage of this country, it would be desirable that there should be an unlimited suspension of cash payments?—My opinion is, that it would be highly desirable that the currency of this country should be placed upon its ancient footing; but there are many reasons which operate in my mind to make me doubt, whether that state of things can be brought about in any very short limit of time; and when I stated in my former answer, that I preferred the one alternative to the other, I certainly had reference to a period not very distant; I mean by a short limit of time, that period which, under all the circumstances and after mature deliberation, it was understood His Majesty's government had intended to propose to Parliament, to extend the present act to, I mean the month of March 1820.

Do you mean that it would be desirable for the legislature to fix the month of March 1820?—I do not.

Then what is the meaning of a short, limited period?—I think, in my view of the subject, that two years would be a short, limited period.

But you think there could be no security, that at the expiration of that period, the bank could resume cash payments, and that great inconvenience might arise from the fixing of a period, which was not adhered to?—According to the view which I take of the present situation of the country, as relating to its public debt, and to its general finance, I should think it would be greatly inconvenient.

Within what period are you of opinion that things might be expected to come round?—I cannot, with any satisfaction to myself, give an answer to that question.

Seeing, then, all the advantages and disadvantages of the adoption of either of the alternatives; if called upon now to decide, with reference to the interests of this country, would not you advise an unlimited suspension of cash payments?—I should say, Certainly not, if the contrary course were to produce any delay whatever in the bank resuming cash payments; being fully impressed, that consistently with other interests, the earlier the bank can return to cash payments, the better for the public in every view. But, as I have endeavoured before to explain, there are many inconveniences which must arise from fixing a precise period, more especially if there should be any doubt whatever, when that period arrives, whether the measure shall be carried into effect.

You are aware, that the present restriction on the bank, expires next July?—I am.

Have you any suggestion to offer to the Committee, as to what would be the most prudent course for the legislature to pursue, upon that act expiring?—I have no opinion further to give upon the subject, than those which I have already expressed.

You have stated the advantages of an abundant paper circulation ; and that, in your opinion, at the present moment, it is greatly too small ; what are the disadvantages arising from it, which, in your opinion, so counterbalance the advantages, as to make it desirable, upon the whole, to resume cash payments?—I have stated some of the reasons which occur to me, to support the opinion which I have given, that the present amount of bank notes, whatever it may be, is too small ; and I would further beg leave to state, that in proportion as a stagnation in trade takes place (and of course the dealings are diminished,) so will be the necessity for the increase of bank of England notes ; and I will illustrate it in this manner : A commodity which is once sold, has one representative ; when it goes through many hands, it may have, and generally does produce, as many representatives as there are hands through which it goes ; and therefore, I conceive, that at present, from the stagnation which has taken place, besides the other symptoms, the amount of bank notes, whatever it may be, is too limited. The disadvantages which I think belong to the present system are, that it may by abuse, if that abuse consists in too great an abundance, operate so as to raise commodities and labour, and every article of property, beyond their common level. If no abuse shall exist, then I should say, that I see in no very strong light the inconveniences. It is undoubtedly an opinion, fixed in the public mind, that the resumption of cash payments is the natural and fit course to pursue ; and I think also, it is the duty of those who administer the affairs of the country, to pay some attention to that opinion.

The present amount being nearly as great as the amount at any former period, and the present amount being in your opinion too small ; has there ever been such excess, as you would characterize as an abuse?—I cannot agree in the facts stated in this question. The present amount, as represented to me, bears a very inadequate degree to the highest amount of circulation ; but I can easily believe, that there are cases which occur, to render what would be unfit at one time, in point of amount of circulation, very fit at another. Whether there has been abuse, or not abuse, I venture not to give an opinion ; but of this I am convinced, that the evil resulting from an abundant circulation, bears no comparison to the evils which are produced by a circulation too limited.

What, in your judgment, would be the criterion of any such abuse, as you allude to in your former answer?—An exorbitant advance on the value of all commodities.

What do you consider exorbitant?—That which is unusual and uncommon.

Ought it to be, in your opinion, the policy of a government, having the power to augment or diminish its circulation, to keep it at all times so supplied, as to insure against a fall, and to hold out to deniers the expectation, of a rise in prices?—I should hold a currency, supplied at the will of the government, whether restrained or extended, as very imperfect. I think the natural uses of a currency form to itself the best basis of its own extent. It is the prosperity or the adversity of a country in wealth, whose currency is metallic, that furnishes the best guide, in a similar degree. Reasoning from this analogy, I know of no better rule for those, with whom the supply of paper currency rests, than to take that model as their guide ; and therefore I should state, that a currency composed of paper, fully constituted, such I mean as that of the bank of England, would not regulate itself by numerical amount, but would fix its extent according to circumstances. A contrary course would operate, I think, precisely in the same way, as if you were to attempt, by artificial means, to set bounds to the prosperity of the country.

Must not a country having paper capable of such contraction or expansion, regulate its amount by a reference to foreign exchanges, if that amount is to be determined by the practice of countries having a paper and a metallic currency, such paper being convertible at will into specie?—Undoubtedly I should think that the criterion, in a country whose paper was convertible into specie, would be, the foreign exchanges.

You have stated, that the greatest variation of the exchanges at Paris with any country having a metallic currency, between the 5th of October and the 2nd of December last, was one-half per cent, and that the variation of the Paris exchange with London, was four per cent ; is not a fluctuation of exchange of four per cent, within ten weeks, a great inconvenience to the fair trader in his dealings with foreign countries?—I think any fluctuation of exchange, operates precisely in the same manner as a fluctuation in any other commodity.

Might not such a fluctuation convert an expected profit upon the best considered speculation in trade, into a real loss, before that speculation, however well directed, could have been brought to a conclusion?—Yes ; but there is no prudent and intelligent

John Irving,
Esq.
(25 February)

*John Briggs,
Esq.*

(25 February.)

intelligent merchant, I apprehend, who enters into such transactions, that leaves out of his calculation, the probabilities which relate to exchange.

Could such fluctuations take place if we possessed a metallic currency, as to the measure of our exchange with foreign countries?—Certainly not.

You have stated, that a stagnation in our commerce took place in July 1818; were not the exports of this country greater in the six months between the 5th of July 1818 and the 5th of January 1819, than were ever known in any former period?—I have endeavored to state before, that the probability is, that in periods of stagnation, your exports will be the greatest, because persons having large stocks of commodities for which they find no home-market, are obliged to export them, and they run the risk of foreign markets, whether they are in demand, or whether they are not.

Is the Committee to understand, there was no home-market between July and January?—No, I do not mean to state that; but I mean to state, that the first alarm, with regard to payments in cash, commenced, as far as my recollection serves me, somewhere about that time; and that prudent persons from that time, and to the present, have been making their calculations that such an event might take place, and that event they could not look forward to, but with the greatest apprehension.

In point of fact, was there not a progressive rise in the prices of most of the great articles of foreign trade, from July up to about the month of October?—I cannot speak from recollection to the period between July and October; but I had occasioned to look into the fact from October up to the present period, and I am confirmed in what I have stated upon the subject to the Committee.

Looking to the prices current, it would appear that there has lately been a considerable fall in coffee, cotton, tallow, and oil; can you inform the Committee whether, notwithstanding such fall, the prices of those articles are not at this moment considerably higher than they were in the spring of the year 1817?—My recollection does not furnish me with the fact, either the one way or the other; the only object of my inquiry was, to trace what I conceived to be the effect of the diminished circulation upon commodities in general, about the period which I have stated, and I think I began my research sometime in the month of September last; the articles which have been mentioned, I believe, were raised by speculation to an unusual height, but the grounds of that speculation had nothing at all to do with the abundance of the currency, it was in consequence of opinions entertained, that the supply was unusually small, with the exception of cotton.

Then, if the great rise in the price of articles upon which there has been a speculation, is in no wise connected with the abundance of currency, upon what ground do you infer, that their present fall is the result of a deficiency in currency?—The speculation was undertaken, I apprehend, upon the grounds which I have stated, but it was at a period, when, whether from amount or from circumstances, the currency was sufficient to satisfy conveniently all the demands upon it; a different course having taken place with regard to the currency, inasmuch as its amount has been restrained, and from other circumstances which I have stated of stagnation, the demands to satisfy it being greater, those commodities which, under the state of things which prevailed at the time they were purchased, might have maintained their prices, have been forced down, from the general pressure which falls upon all persons connected with money affairs.

Then, if the currency had been so enlarged as to have maintained the prices of those articles, would you consider that circumstance as a criterion, that the amount was sufficient?—The price of commodities, I apprehend, depends upon the supply and the demand, and that the value may materially vary at one time and another, the quantity of money in circulation remaining the same.

Does it consist, with your knowledge, that a great proportion of the exports made by this country within the last twelve months, have not been attended with profit to the exporters?—I cannot give any opinion upon that fact, having myself a very circumscribed personal interest in such transactions.

Is it not notorious, that the exports to India, and to various parts of the world, are selling at prices, in those markets, lower even than the prices at which they were purchased in the market here?—Yes.

Have the prices of meat, iron, wool, and the general prices of the mineral productions of this country, been depressed in the same manner as many articles of foreign import?—Not in the same degree, and for the reason which I have already stated;

stated; but as far as my information goes, there has been a depression. There is now a stagnation, and they are threatened with a most material decline.

State in what articles?—I have no precise information upon the prices of particular articles.

Have you any means of knowing the amount of investments in foreign funds?—I have no means of knowing the amount of investment in foreign funds, excepting by judging somewhat from the amount of the foreign funds themselves, and by the constant dealing in them; the funds of France and of Prussia, somewhat less of Russia, being a commodity daily sold in the market here.

When you stated the alarm which took place upon the renewal of the bill which now exists, you spoke of it as more particularly operating upon individuals, who would be materially affected by the bank resuming cash payments, at the end of twelve months from that time; what description of individuals did you there allude to?—I alluded to individuals having large extensive mercantile engagements, the facility of discharging which would most materially have been influenced by the determination of that question.

Would it be an improper construction put upon that answer, to apply it to persons engaged in extensive speculations, as contradistinguished from ordinary mercantile transactions?—I think the influence upon the minds of each would be the same.

Has there, or has there not, been a particular alarm created in the minds of certain individuals, as contradistinguished from the general impression made upon the trading interest in the city of London?—Not that I am aware of.

Are you aware of any particular class of individuals, who have met together for the purpose of representing to government the mischiefs that would arise from the resumption of cash payments?—I am.

Have the goodness to state the proceedings of those gentlemen, and what was the result?—The only case with which I am acquainted, of the description alluded to, was a case, in which I myself was one of the parties, to represent the inconvenience which I, with others, conceived would result to the public at large, and ourselves in particular, by a reduction of the issues of the bank, the opinion being then entertained, that the bank was to be paid by the government to the extent of five millions, and that the issues of the bank were consequently intended to be reduced to the same extent. The individuals were composed of Mr. Edward Ellice, Mr. Thomas Reid, Mr. Lloyd, Mr. Atwood, and I had the authority of Mr. John Smith, whom I had consulted upon the subject, to make use of his name, and to give his sanction, to the fullest extent, to the representation which I informed him it was our intention to make: he was not present, from unavoidable circumstances. We met by appointment at my Lord Liverpool's, where we found the chancellor of the exchequer. We stated, in substance, the evils that we were confident would be produced by a sudden reduction of five millions of bank notes from the then currency; supported by such arguments as occurred to us at the time. Lord Liverpool and Mr. Vansittart listened patiently to what we had to say; they said, on their part, very little that we thought at all satisfactory; and we came away with precisely the same information, I think, and the same impressions, that we carried into my Lord Liverpool's room.

Are you aware of any other representations made to government, by letter or otherwise, exclusive of the one you have now detailed?—I have heard of such a representation: I know nothing of the particulars. I was in Paris at the time; and when it was stated to me, my observation was, that I thought it was a needless proceeding, and very likely would produce no effect. Satisfied, however, as I have been, from the first time this question has been seriously entertained, that all the arguments and information that could be laid before His Majesty's government upon this subject, could not but be desirable to them, and advantageous to the public.

At what period did the meeting take place at Lord Liverpool's, to which you have particularly alluded?—I think it was some time in the month of September.

Then the Committee are to understand, that the object of that application to Lord Liverpool, was to state the inconvenience that would arise if the amount of exchequer bills, proposed to be paid off by government to the bank, were in point of fact so paid off, and that that was the only object of that application?—The object of the application, as I have stated before, was to represent the inconvenience which the public, and we as part of that public, would sustain in consequence of five millions of bank notes being withdrawn from circulation; how those five mil-

John Erving,
Esq.
(2d February.)

*John Irving,
Esq.*

(28 February)

Notes were to be withdrawn from circulation, or kept there, was a matter upon which we did not feel ourselves competent to make any representation.

Are you not aware, that by the financial arrangements of the last session, it was expressly provided, that from eight to nine millions of the advances made by the bank to government should be within twelve months repaid to the bank?—I so understood; but I was not aware whether other arrangements might not have been made with the bank, which might have precluded the necessity of their doing that which, I thought, was a great public inconvenience.

Then in point of fact, the object of this deputation that waited upon Lord Liverpool, was to interfere, with their advice, between the votes passed by the legislature, and the arrangements in consequence of those votes likely to be made between the bank and government?—The meeting which I have mentioned was not a deputation, it was persons representing their own interests, and in which, in their judgment, the interests of the public also were concerned; and I have no hesitation in saying, in the face of this Committee, as I would in the face of the world, that when my interests are affected, or that I apprehend they shall be affected, by any particular measure, I shall not refrain from going to that source from which I conceive redress may flow.

You spoke of application having been made to Mr. John Smith to attend that meeting, did you make any application to other persons in the city to attend that meeting, or were any applications made by the gentlemen who attended that meeting to others to attend it?—I made none, that I am aware of.

Are you aware of any application having been made by any of the individuals who accompanied you to Lord Liverpool's house?—I am not certain; but I rather think that one or two other persons were spoken to upon the subject.

Do you know what answer those other persons returned?—I do not.

Did those same gentlemen make any representation to the bank, as well as to government?—Not that I am aware of; I was not privy to any such application.

Having stated that one of the criteria by which you judge of the present amount of bank paper being less than the wants of the public require, is the state of the exchequer-bill market yesterday, when the price of exchequer bills is stated to have varied from 5*s.* premium to 2*s.* discount; do not those exchequer bills bear an interest at the rate of about 3 per cent?—I believe they do.

Assuming then the rate of exchequer bills in the market to have been above par, do you consider the fact of government securities being saleable at 3 per cent interest, as a proof of the want of a sufficiency of paper currency?—Yes, because those exchequer bills are issued by the government at a premium of 20*s.* and if the price falls to 5*s.* I can only infer that it must be the result of a pressure upon the market.

When you speak of an extraordinary stagnation of trade during the last six months, do you attribute that stagnation more to the narrowing of the discounts at the bank, and the consequent abridgment of the facilities of carrying on trade, than to the dread of a considerable fall in the price of commodities on the removal of the restriction taking place, and the consequent loss on the stock of goods laid in?—I am not aware whether the bank has or has not restricted its discounts; but if the aggregate of the amount of bank notes is lessened, upon whatever security it is issued, the effect upon the public, I think, would be the same; because if the bank notes are in circulation, those who have securities to offer, find no difficulty in obtaining them, and in a manner perhaps quite as convenient and quite as agreeable as going to the bank directly for them.

Have the goodness to state whether you believe that, provided the amount of the circulating medium was the same, it would be indifferent to the trade of the country whether the bank of England existed or not?—My answer can receive, correctly, no such construction; my answer referred to the mode in which bank notes were issued to the public; and I meant to state, that for the public convenience, and in that view only, it was immaterial how the bank notes were issued, provided they were found in the same quantity in circulation.

Have the goodness to state, whether you believe that if the present amount of bank of England notes in circulation was entirely issued upon government securities, and no part whatever upon discount to merchants, the mercantile interest would be alike in both cases benefited?—Taking the proposition as a general one, I should say that it would make no difference, except in this, that possibly private individuals having to employ their capital, might look with more strictness and more rigidity

into the nature of the bills offered, than could be expected from any public body, how ever circumstanced.

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Having stated, that the convenience and accommodation to merchants results from the quantity of circulation, and that it does not depend upon the quarters from which it is derived, or the mode in which it is issued; he so good as to state whether if the present amount of circulation was wholly in metals, instead of its being any part of it in paper, you believe commerce would be equally accommodated, and if not, how do you reconcile the two opinions?—If the quantity of currency was the same, I do not see where the distinction would be.

Is not paper, in a great many respects, a more convenient vehicle of circulation than a metallic currency of the same nominal amount?—I think it perfects its business quicker, and in cases where it is necessary to transmit it from one place to another, the charge of transmission is diminished.

The same nominal amount in paper may therefore answer the purpose of a greater quantity of commercial transactions than it could do in cash?—In that view and for those reasons I think it might.

Was not England more largely concerned in the loans and other money transactions of the government of France than any other of the countries to which you have referred with respect to the exchanges?—England is not only more largely concerned in the loans which have taken place in foreign places, but she is more largely concerned in all money transactions; you cannot affect the state of credit and currency in England, without its influence spreading to the utmost corner of the world.

Would not then any circumstance materially affecting the French loans have a greater effect upon the exchange with England than with any other country, in consequence of the greater concern which England has in those loans?—Most undoubtedly; but the currency of England being paper does not produce an immediate remedy, which could only be done by an exportation of its specie.

Was there not, between the months of October and December last, a variety of transactions particularly affecting the French loans, and a great embarrassment respecting them?—Very great.

Would not then that embarrassment produce a greater effect upon the exchange with England than with any other country which had not been so deeply engaged in the same transactions?—Undoubtedly.

Might not then a considerable effect have been produced upon the exchange with England, even if a metallic currency had prevailed here at the time?—I think not upon its exchange, but upon its currency; it would have created an exportation.

You have stated, in a former part of your evidence, that the evils arising from a superabundant circulation were much less than from a too limited circulation; does not the great facility in issuing and procuring a circulating medium of paper currency tend to increase and promote speculation and overtrading?—Undoubtedly, the facility of money transactions is an encouragement both to speculation and overtrading; but though individuals suffer from such transactions, I think, generally speaking, that the wisest course is to leave that matter to the prudence and intelligence of persons who engage themselves in them.

Does not over-trading tend to produce corresponding stagnation in trade?—I think over-trading does, and the remedy is a fall of prices.

Does not such over-trading and corresponding stagnation tend to produce fluctuation in prices?—There can be no doubt of that.

Does not frequent fluctuation in prices tend to produce distress in the commercial, manufacturing, agricultural, and labouring classes of the community?—I think a fluctuation of prices certainly does create distress, and consequently that level and equal prices would be more desirable.

Do you not consider the inconvenience in a circulating medium, composed altogether of specie, to be, that it is liable to decrease by exportation, when the balance of payments may be against the country?—I think that is the precise nature of a circulating medium, composed of metal.

Would you not then consider that a wholly metallic circulating medium, in a country carrying on such large commercial transactions as this, is likely to be at times attended with inconvenience?—I am so much of that opinion, that if you wish to provide a circulation entirely, or in a great degree metallic, it would be at once throwing away one of the chief advantages which you possess over other nations; and that resorting to such a measure, rich as you are, might soon bring you to a level with other nations.

Assuming the fact, of the balance of payments to be against this country, do you

John Irving,
Esq.

(25 February.)

consider that payments in cash could permanently be supported by the bank?—I should think it would be quite impossible.

Supposing a favourable exchange to be produced, by a forced limitation of bank paper issues, do you think that that favourable exchange could be so maintained, without carrying the restriction to an extent that would be more prejudicial to the commercial prosperity of the country than it could be beneficial in any other respects?—I think it could not be maintained, and I should doubt if obtained through such means, that it could not be permanent.

Lima, 1^o día Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

JOHN GLADSTONE, ESQUIRE,

(A Member of the House;) was Examined.

John Gladstone,
Esq.

(1 March.)

HAVE the goodness to state to the Committee, in what line of business you are principally concerned?—My principal engagements are in trade with the East and West Indies, also occasionally in general trade; but those are the particular objects of my pursuit.

Are you aware of a considerable degree of distress at present existing in the mercantile world?—I am aware that at present there is a very considerable pressure; and, with many individuals, considerable distress and embarrassment.

From what period do you consider the pressure of that distress to have been particularly felt?—I think it has been approaching for the last six months; but during the last three months, and particularly the last two, it has been growing and increasing rapidly.

Can you assign any causes to which it may be attributed?—Yes; there are causes that may appear, when stated in the first instance, as rather of a counteracting nature: my first impression is, that the evil grows out of previous prosperity; the second cause, the scarcity of money, which has again grown out of other causes; but to speak to the first, the general trade of this country, with some exceptions, during great part of the year 1816 and the whole of the year 1817, was unusually advantageous; by unusually, I mean that it was almost uninterrupted so; that the fruits were an increase of property with many individuals, and a great extension of enterprise; this extended enterprise came to show its consequences in the course of the year 1818, by a considerable extension of both exports and imports; that the consumption of our manufactures and productions in foreign countries, as well as the consumption of foreign productions in this country, did not undergo any diminution, but the supplies to both have considerably exceeded their usual extent, and therefore the consumption which has led to the accumulation of stock, both in the foreign and the home markets, and in consequence to a diminution of price; this accumulation alarms and induces purchasers to buy sparingly of stock, further exporting reduction; thereby disappointing the importer in the prospect of his market, locking up his funds, and creating, to a certain extent, difficulty in his money arrangements. The second view that I take of the subject is, that a want of confidence has been growing amongst commercial and moneyed men, during the period I have mentioned; in the last two months it has increased materially, an alarm has been excited, by an apprehension that it was intended the bank of England should resume cash payments in July, when the present bill expires, which has induced moneyed and commercial men to look at it more particularly, and each individually to their own situation, under an apprehension that if such a measure took place, the circulation of the country would probably be considerably diminished, and the difficulties of obtaining discount or raising means to make good money engagements, might otherwise be very importantly increased. These are the causes out of which I think the present situation of things have in a great measure grown.

Do you attribute that, which you call the previous prosperity, in any, and what degree, to undue encouragement given to speculation and enterprise, by the facility with which credit could be converted into capital?—I think the habits of the manufacturers of this country, in times of prosperity, induces them to afford a certain degree of credit and engagement to what is generally termed speculation; that is,

they are in the practice of supplying such adventurers with goods, probably at full prices, or mixed with descriptions, that, to others, might be less saleable; thus giving credit, to a certain extent, to those whose capital, or means of making good their engagements, if strictly examined, they might not be satisfied with. Out of this system grows that species of adventure, which is generally termed speculation; and that is undertaken by men of small property, for purposes of adventure, to an amount far exceeding their own means. By previous prosperity, I mean, the beneficial use that had been made of the capitals of merchants generally, for purposes that proved to be beneficial; and experiencing that they were so, they were led to extend their enterprise, in the manner I have stated in the previous answer. The answer I have given on the subject of speculation, will generally apply, and be found to exist, when there is an undue extension of the trade of the country.

John Gladstone,
Esq.
(1 March.)

Supposing, at any period, a false estimate has been made of the probable profits of trade, and that that operates as an encouragement to undue extension of commerce; must not the inevitable consequence be, a subsequent stagnation of commerce?—If it is a false estimate, I conceive the falsity must consist in the ground on which the calculations rest; that is, that if they extend their enterprise generally; and being an increased supply of goods, it must be founded on an expectation, that there is to be an increased demand or consumption for them. If that increased demand or consumption is not realized, then difficulties arise, and consequences ensue, such as have taken place in the year 1813.

Supposing the second cause not to have operated in any degree, namely, that there have been no apprehensions of a considerable reduction of circulating medium, producing what you term a scarcity of money; do you think the expectations of which were formed at the period to which you refer, of reasonable profit attending the great extension of trade, which took place, would now have been realized?—Certainly not; but I am of opinion, that the evil would have been less felt, and the depreciation in value would also have been less; that the stock of goods would have been held over with more facility; the money accommodations usually obtained in those cases, would have been got more readily; and there would have been a rateable suspension of import and export for a certain period, until the excess was in some degree consumed, without so great a depreciation in value as has taken place. I think the second cause has increased the difficulty, and led to an increase of depreciation in the value of goods generally.

To what should you attribute the necessity, at any time, of holding over goods; would it not be, to a previous over-trading?—Certainly, when the quantity accumulated exceeded the consumption, it leads to diminution in price; that diminution in price leads to a suspension of import; the consumption going on, in time takes off the excess, restores the price, and, with the restoration of the price, leads to new importations.

Has the present distress fallen with greater severity upon that class of traders, who embarked in the over extension of trade, than upon those who dealt upon the expectation of steady and moderate profits?—It falls upon both; but the first being without means to meet it, are many of them ruined; the others suffer inconvenience, and also loss; their funds are more or less tied up, and their engagements narrowed.

Does that which you call scarcity of money, depend merely upon the abundance or deficiency of the circulating medium?—I think that it is connected, in some degree, with the abundance or scarcity of the circulating medium; but that it is governed more by the degree of confidence marked men possess, in the prospects of employing their capitals, more or less advantageously, so as to induce them to withhold it, with those views, or to lend it, in the shape of discount, more freely. I consider the circulating medium more as the channel or means of convenience or accommodation; but the scarcity of money depends on the confidence of the capitalist, and his disposition to lend.

What constitutes the circulating medium of Liverpool; and in what manner are commercial transactions conducted there?—The practice in Liverpool, by which all goods are bought and sold, is, that at the expiration of a given credit of from ten days to three months, as may be agreed. Payments are made in bills of exchange on London, and sometimes in the acceptances of the purchasers made payable there, at dates from two to three months. Those bills form the great circulating medium of Liverpool, that they are paid and received by buyers and sellers, and where the date of the bill is more or less than the term of agreement, the difference of interest is added or deducted; but for ordinary cash purposes, such as

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John Gibbings,
Esq.

(1 March.)

wages and charges of merchandise of all descriptions, our only circulating medium is bank of England notes: I speak of Lancashire generally.

In what manner, and to what extent, are the commercial dealings thus carried on in Liverpool, liable to be affected by a reduction of the issues of the bank of England?—I do not think that a moderate reduction of the circulation of the bank of England would materially affect the money market, particularly the circulating medium of Lancashire, as our circulating medium consists almost wholly of bills of exchange, and those bills being generally paid and received at the clearing houses in London; but a moderate amount of bank notes is necessary to make good the differences of payments.

From your observation have you been led to conclude, that the commercial dealings of Liverpool have been in any way affected by any reduction which may have taken place in the amount of issues of the bank of England?—I only knew generally, that a greater want of confidence and scarcity of money prevails, that the usual discounts have been more difficult to be obtained for bills of the most unexceptionable character and description; but, according to my observation, I should be more disposed to attribute this state of things to an application of capital to other purposes, mixed with a want of confidence in what may be the future system of money payments, than to the small reduction in the issues of bank paper said to have taken place.

What do you mean by the future system of money payments?—I mean the uncertainty whether the bank restriction is to be removed or not.

When a bill is discounted, in what does the payment take place?—In bank notes.

Would the diminution of bank notes diminish the facility of obtaining discounts in London, where the Liverpool bills are made payable?—Certainly, I think it would, in so far that the bank, in order to diminish their circulation, must themselves diminish their discounts.

Would a diminished facility of obtaining discounts affect the bank transactions that you have described?—What I have described is the ultimate payment of bills, and the convenience of the party who is to pay; the measure of discount is a previous concern: I conceive it would affect the accommodation in obtaining discount materially.

What other purposes do you mean, when you state, that capital has been employed in a different manner?—I think there is a capital to a large amount, now locked up in produce of various descriptions, in this country, and an unusual stock of goods on hand, arising out of the overtrading of the last year; it is also generally understood with us in the country, and in my own experience I know of many instances, of considerable sums being placed in the funds of other countries, induced by the temptation of higher rates of interest. Of the total amount of these investments I cannot pretend to speak with any degree of accuracy; but the impression on my mind is, from what I have had occasion to observe, that the sum placed in foreign funds, during the last eighteen months, but particularly in the French, is to a very large amount.

Have you observed, that within the period to which you have referred, namely, the last six months, there has been a considerable reduction in the prices of commodities?—In many articles a very material reduction, but much more in the last three months, than the previous period.

Have the goodness to specify the articles in which the reduction has principally taken place?—In cotton, according to the various descriptions, there is a reduction of price of from 20 to 30 per cent, within the last six months; tobacco, from 25 to 35 per cent; of foreign corn, generally, there is a great accumulation, and some reduction in price, say from 15 to 20 per cent; there is also a general reduction in the value of foreign produce, with few exceptions, though not so considerable in some, as in those instances that I have stated.

Can you state a general average?—No; in Liverpool, cotton constitutes about a moiety of the whole of our trade; therefore, when I say there is a reduction of such extent, it has a very important influence. The importations from Ireland were considered to be large in the year 1817; the supplies of grain and provisions I value in that year somewhat about twelve hundred and forty thousand pounds; by provisions, I mean salt provisions, beef, pork, and butter; in the year 1818, I estimate their value to have been about nineteen hundred and fifty thousand pounds, and I believe a considerable portion of that excess is accumulated in stock, and remains

remains unsold. In the year 1816, our importation of cotton was two hundred and seventy odd thousand bales; in the year 1817, three hundred and fifteen thousand; and in the year 1818, four hundred and twenty-one thousand; the consumption of 1818 very little exceeded that of 1817, and the difference in import has been added to the stock. I estimate, that there was an accumulation of goods in the port of Liverpool, at the end of 1818, exceeding what there was at the end of 1817, to the value of somewhere between two millions and half, and three millions.

In the article of cotton, has not the excess of supply, as compared with the demand, been sufficient to account for nearly the whole of the reduction in price?—No, I think not; we have had as great an excess of supply in former years when the same scarcity of money, or want of confidence, did not prevail, without so considerable a reduction in price. The prices of cotton of some descriptions, are as low in England as they can be bought for at the place of growth, and that with relation to such prices as it is considered practicable for the planter to raise it and reap a reasonable remuneration.

Are there any articles of foreign produce, and of considerable consumption in this country, in which there has been an advance of price?—On some articles of Baltic produce, in the course of the year 1818, there was considerable advance, particularly tallow, hemp, and flax, but they have again declined; coffee also, from a short supply, and from its not being practicable to increase the growth without a lapse of years, also advanced very importantly, and although the supply was not considered equal to the consumption, and the stocks are every where comparatively small, yet the prices have fallen in the last three months from 15 to 20 per cent; the prices before were unusually high. I think the reduction in price is in a great measure occasioned by the check given in consequence of the scarcity of money, and difficulty of procuring the usual discounts.

Do you find that articles of home produce have been affected to the same degree that articles of foreign produce have been?—There are complaints from the cotton manufacturers of a want of the usual export demand for their goods, and prices in consequence have declined, though I am not prepared to speak positively to the extent of that decline, only generally, that they have declined, and I think in some instances considerably; metals have supported their value until lately; copper and lead have both rather given way in price, though I think not materially.

What is the relative price of wool?—I am not so immediately conversant in the market for wool, but woollen goods have undergone little alteration in price; the raw material I am not conversant with.

Supposing an obligation were imposed upon the bank, with a general understanding that it should be imperative, that within one year, at the risk of any inconvenience to trade, the bank should resume cash payments, what do you think would be the consequences to the mercantile world in general?—I think an apprehension would prevail that it would not be safe, but dangerous, at so early a period to resume those payments. My opinion is, judging from the occurrences and circumstances attending the trade of the country in the years 1816 and 1817, and taking it for granted that the drains, which have occupied so large a portion of the previous floating capital of the country for the last twelve months, were to cease to operate, I mean particularly the importation of foreign corn, and the inducement to place British capital in foreign funds, that the trade of the country, if left to itself, would probably, within the period referred to in the question, restore the state of the exchanges, so as to put an end to the inducement to export gold from this country; and in that case, I conceive, the time would have arrived when the payments in cash might be resumed with safety. It appears to me, that if such a measure were now adopted, that it would not diminish the want of confidence which prevails; that it would be considered too early, and that morbid men, contemplating difficulties between, and then, or when it arrived, would reserve their funds to avail themselves of them; and that therefore, the existing distress would rather be prolonged than removed by such a measure.

Which do you think would operate most prejudicially upon the whole, a certainty on the part of the public that cash payments should in any event be resumed at the expiration of a twelve month, or the uncertainty that would attend the understanding that the resumption should depend upon contingencies, such as the improvement of the foreign exchanges, and a fall in the price of gold?—I conceive confidence would be more effectually restored by the last measure than the first, provided the first was of so limited a nature; though at the same time, the impression on my mind is, that within twelve months, if these drains cease, as I am inclined

*John Gladstone,
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to believe they will, that we are not likely, unless there is a failure of the ensuing crop, to have an importation of foreign corn; there is now an immense accumulation, the ports are shut, and likely to remain so. I think, taking the degree of confidence into consideration, that the foreign funds, and the funds of this country, are coming nearer to a level with each other, and that the inducement to invest more British capital in the foreign funds is diminishing. I expect we shall be relieved from those drains for the present year, and on these grounds I think we may expect, judging from the occurrences of 1816, that by this time next year, the foreign exchange will be so restored, and the price of gold so reduced, that the inducement to export it will have ceased. In 1816, the importation of foreign corn was small, and during that period, I am of opinion that British capital, to a small extent only, was lowered in the foreign funds. In the month of January 1816, the exchanges in Hamburg was at 34s. and the price of gold 4*l.* 2s; the exchange gradually rose, and the price of gold fell in the same manner; but in the end of the year, the exchange had got to 37s. and the price of gold had fallen to 3*l.* 18s. or 3*l.* 18s. 6*d.*

Can you name a period, within the expiration of which you think the legislature might impose a positive and imperative obligation upon the bank to resume cash payments?—I feel considerable difficulty in answering that question. I think the period ought not to be an early one, in order to avoid the frequent agitation of the question, probably not less than two years, or at the least one year, from next July; that the period of two years would be more desirable, provided a power was placed in the hands of the bank, or the bank in conjunction with His Majesty's government, to restore payments in cash when the state of exchanges, and the price of gold, with the general state of the country and the continent, for I hold the consideration of the state of the continent as materially connected with the question, appeared to make such a measure safe and advisable. I think that great injury to the general interest of the country, might arise from a sudden or a premature return to cash payments, and I am not aware of any particular evil likely to flow from a reasonable or necessary delay. It is not but the bank may be prepared for their cash payments, and that to them it might be a matter of indifference when those payments were resumed, but the evil, I apprehend, is to the trading and manufacturing interests of the country generally; that no merchant or man of business could safely come under his usual engagements for future payments, not knowing in what manner he might be called upon to make good those payments; that if the price of gold was such as to induce an exportation of it, as the notes of the bank are issued in discounts, and got into third hands, they would be called upon to exchange them for gold, and that gold, until the demand to make good payments, or fulfil engagements on the continent, was supplied, would necessarily be sent out of the country; that this would lead almost immediately to a diminished and ultimately very diminished circulation of bank of England notes, and of bank notes of every other description; that every individual would therefore be exposed to be called upon to make good his engagements with gold, without knowing how or where he could procure that gold for this purpose; that in consequence, this apprehension and difficulty would lead every man to narrow his engagements materially, to a great reduction in the trade of the country, would cause a great diminution in the means of employment for people generally, the revenue would probably be materially affected by the falling away of consumption; and the evil generally, I conceive, would be very serious and alarming.

In supposing that the legislature were to enact, that there should be an unlimited suspension of cash payments, do you conceive there are any evils, arising from that measure, which would counterweigh the advantages resulting from a removal of all apprehension and uncertainty?—I think the adoption of such a measure might be productive of great evil; that it might lead to extended issues, and to an increased circulation, from the temptation of benefit arising from those issues, where no actual expense was incurred by the parties making them; that it might lead to the creation of a paper capital, not resting on solid grounds; that it would tend to a diminution in the value of money and of personal property, and therefore to a nominal increase in the value of real property, which might eventually lead to an extent of evil, the magnitude of which is difficult to contemplate; but I have, at no time, contemplated such a measure could be seriously thought of or entertained.

What you had in contemplation in your former answer, was only such an extension of the period of time for the continuance of the restriction, as should prevent the shock of a premature resumption?—Yes; and to afford sufficient time for the trade of the country to restore the state of the exchanges, which would necessarily reduce the

price of gold and silver, as far as my acquaintance with the state of the country, and experience as a merchant for the last five-and-thirty years, enables me to form a judgment; the balances have been generally and importantly in our favour.

In a former answer you used the expression, "if the trade of the country were left to itself;" have the goodness to state what you meant by that answer?—I mean, that if we are relieved from the drains which have operated so powerfully in the year 1818, the general trade will produce a large balance in favour of this country, that balance within a reasonable period will change the account from payments to receipts; but to elucidate what I mean, I estimate the value of foreign corn (not including Irish) imported into this country in the year 1818, from documents which, though not official, I have reason to believe are pretty correct, so be about nine millions sterling, which is one of the greatest years of import of foreign corn within my recollection.

You have mentioned that a very large stock is on hand of many articles of foreign produce; what will be the effect of that large stock, with respect to future importations?—I think it will lead to the diminishing future importations.

What will be the effect of diminished importations on the exchanges?—The effect will be to advance the rates of exchange; inasmuch, that in proportion to the diminution in the extent of our importations, the sums to be drawn will be lessened.

Have you any knowledge of the investment of any considerable capital from Liverpool in foreign funds, and in what funds?—I have not been in Liverpool for the last two months; but during the six months previous, it is within my knowledge that different persons in Liverpool had invested considerable sums in the French funds, and only in the French funds. I am not aware of any investments in the Prussian, Russian, or Austrian.

Any in the American funds?—It has been a practice to do so, of many years standing, and therefore escapes observation; but within the last twelve months, friends of mine here, I think, invested from three to four hundred thousand pounds in the French funds.

Do you believe the disposition to invest money in the French funds continues?—I am not aware of any recent investment made from Liverpool, and I am inclined to believe that none are likely in the present state of the money market in this country. I stated in a former answer, that I thought the foreign funds and the funds of this country, taking into consideration the degree of confidence usually placed in each, were approximating nearer to a level, and consequently that the inducement to place British capital in them, was diminishing in that proportion.

Can you estimate the amount of property belonging to Liverpool invested in American funds?—No, I have no means of knowing; I think, that in proportion to the wealth and capital of the place, there is less Liverpool property placed in the funds of this or of any other country, than of any other town or place in the kingdom; the capital of Liverpool being almost wholly engaged in commerce and manufactures.

Is the investment in American funds, in your opinion, increasing?—I have not sufficient information to enable me to answer that question.

Having stated the inconvenience likely to arise from the resumption of cash payments at an early period, how far do you think those inconveniences might be alleviated by protecting payment in bank notes as between individuals, to the extent which is now done by law, for some considerable period after the resumption of cash payments by the bank?—I think it could not be done to produce any good purpose; that there would be as much difficulty then in obtaining bank notes as there would be without that protection in obtaining cash, whilst the exchanges and the price of gold remain as they now are.

Do you then mean, that you apprehend no other inconvenience to the mercantile interest from the resumption of cash payments, but what might arise from the disposition of the bank to refuse accommodation, and restrict their issues when the price of gold might be above the mint price?—I think the circumstances that would arise out of such a change of system would lead to a general want of confidence, and derangement in the mercantile transactions of the country, whilst the inducement that now exists to export gold continued. I think the causes that would diminish the issues of the bank would lead to a great portion of the general circulation of the country being withdrawn; I think the circulation of bank of England notes bears a very small proportion to the general circulation of the country; that perhaps it is not one-tenth part of it; I include bills of exchange. I call bills of exchange a circulating medium or credit; they are transferred in payment from one to another,

John C. Stansfeld,
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(1 March.)

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and as they are transferred the securities are strengthened by additional indorsements ; they answer all the purposes of payments for goods. The stoppage of the whole machine would be hazarded, if it was not previously ascertained with certainty what medium of payment was to be used and depended upon. Perhaps the Committee are aware what has happened in the United States of America, since cash payments were resumed there.

Have the goodness to state the circumstances which have attended the resumption of cash payments in America?—As far as I am acquainted, they have been productive of considerable difficulty, much individual distress, and derangement ; this is best exemplified by the report of the secretary to the American treasury, dated, I think, some time in the month of November last ; it is therein stated, that in consequence of the great scarcity of cash which had prevailed from the time payments in cash had been resumed, and notwithstanding the previous prosperity and increasing revenue of that country, considerable deficiency from their estimates for the year was apprehended ; and loans in the report are spoken of as contemplated, to make good those deficiencies. It is the practice in America to give credit to the merchant, under security on bond, for the payment of duties, and that it had become necessary to extend and prolong those credits ; considerable apprehension of the general results are expressed in that report. America is not, in any degree, circumstanced as this country is, in respect to causes that should drain her of her circulating medium ; that the only vent which takes her silver is her trade with India, particularly with China, and that this is no new vent, nor do I believe it is more extended than it was wont to be previous to the late war ; yet silver in America bears a premium now ; that is, Spanish dollars bear a premium of 7 or 7½ per cent, and many failures have taken place in that country, growing out of the present state of things there. I mean 7½ per cent compared with the currency of the country, which consists of their bank notes, and a gold and silver currency.

Can you explain to the Committee, the nature of the paper circulation of America ; is it government paper or bank paper?—Bank paper. I consider the circulation of the banks in America to be something similar to the circulation of the Scotch banks.

Can you inform the Committee, at what period the restriction on the payment of cash by those banks commenced?—No, I cannot ; it was, I think, early in the last year.

What is the lowest denomination of their paper currency?—It is carried down to fractions of a dollar.

Can you inform the Committee, what was the amount per cent of the depreciation in the American bank paper, during the time the banks did not pay in cash on demand?—I cannot.

Can you state to the Committee, what was the amount of the reduction made in the amount of the paper in circulation, in consequence of their resumption of cash payments?—I presume that is a circumstance which it is impossible to become acquainted with ; in this country, no private banker will make it known what the extent of his issues are ; in Scotland, where there are three chartered banks, yet you cannot ascertain, by any means, what the extent of their issues are ; therefore I do not know how the extent, or the reduction, of the American issues, is at all likely to be ascertained.

You have stated, as one of the causes of the present depressed state of trade, the alarm which took place about two or three months ago, arising from an apprehension of the bank of England resuming its cash payments at the period now fixed by law ; did any alarm or apprehension upon that subject arise, prior to the period you have mentioned?—I do not recollect ; but if any did, it was not of sufficient consequence, till within the last three months, to produce any material effect upon the state of discounts.

Upon what grounds do you state, that that circumstance, which you say has created an alarm within the last three months, created no alarm, to the like extent, previous to that period?—I conceive, because the period was more remote. I think, that within the last two to three months, the opinion gained ground more generally, that it was become probable the payments in cash would be resumed in July ; from the general sentiment entertained previous to that period, the subject, from being more remote, was less considered, and therefore less agitated ; its influence was not felt.

Did any doubt exist in the commercial world, as to the resumption of cash payments by the bank at the period fixed by law?—I think the general opinion entertained, till within the last two three months, was, that cash payments would not, and

could not, be resumed in July. I mean, they would not be so resumed with safety.

Upon what ground was that opinion so entertained?—The state of the country, the state of our trade, the state of the foreign exchanges, and the price of gold.

Is the Committee then to understand, that at the former periods, when the restriction acts passed, namely, in the years 1815, 1816, and 1818, a doubt was entertained by the commercial world, as to the resumption of cash payments at the periods fixed by those acts?—I think that the whole measure is one of expediency, and its termination must be governed by circumstances, which cannot be easily foreseen or controlled; and that, provided the period was sufficiently remote, not to interfere with or break down mutual confidence in the means of payment, that the commercial world did not enter, at any of the periods referred to, generally, more deeply into the consideration of the subject, as not immediately pressing upon their views or interests.

Is the Committee to understand, that the apprehensions entertained by the commercial world, within the last two or three months, as to the little probability of the restoration of the foreign exchanges, and the reduction of the market price of gold to the mint price, form the grounds of their alarm, at the resumption of payments, at the period now fixed by law?—I am of opinion, that the present state of the foreign exchanges, and the price of gold, and the uncertainty when such a favourable exchange might take place, as would admit of the resumption of cash payments with safety, excited a powerful apprehension of evil arising, if so early a period as July was determined upon for the resumption of cash payments.

Are you of opinion, that the contraction or extension of the issues of the bank of England, has an effect upon the market price of gold, and upon our foreign exchanges?—Unless the bank of England purchases gold, and by that means increasing or diminishing the demand for it, I am not aware how it should operate, either way, upon the one or the other.

Then you are of opinion, that a reduction in the present amount of bank issues, would not lower the price of gold, unless the bank themselves were purchasers, or in any manner raise our foreign exchanges to par?—I have not sufficiently considered that question, to give a decided answer to it; but my general opinion is, that our foreign exchanges, and in connection with them the price of gold, can only be acted upon by the balance of payments between this and foreign countries.

You speak of bank notes, forming a tenth part of the circulation; have you formed any estimate what proportion of that circulation, as compared with bank notes, the notes of country bankers bear?—Including the bank note circulation of Scotland, which has now become of great magnitude and extent, I am impressed with the opinion (but I can have no data beyond opinion,) and general observation, that the circulation of country bank notes considerably exceeds the circulation of the bank of England, probably to the extent of one half more.

Is that opinion the best estimate you have been able to make, in the means you possess?—It is founded on inquiry, and conversation with individuals. I have often made it the subject of inquiry; but have always found the greatest reluctance in parties issuing bank notes to give, upon document or authority, the extent of their circulation. I should conceive the circulation of Scotland, being wholly the bank notes of that country, is probably not less than from eight to ten millions; that if the bank of England issues were taken at twenty-six millions, the country bank issues might be taken at forty millions. I conceive that the circulating medium of this country must always be in proportion to the extent of its trade; that if that trade is more extensive in one year than in another, the circulating medium must go hand in hand with it; I mean both bank notes and bills of exchange; that the quantity of bank notes may maybe materially increased, but that the quantity of bills of exchange must necessarily increase.

You state, that the alarm on the prospect of the bank resuming cash payments, took place about three months ago; that previous to that period, there was a general impression that it would not be resumed in July next?—I think it is a subject that has been more or less looked to for the last six months; but that previous to the last three months, no serious apprehensions were entertained, for the reasons I have stated.

Have the goodness to inform the Committee, upon what the apprehensions grounded, the exchanges and the price of gold remaining the same three months ago, that the bank would resume cash payments, in the next year.

John Gresham,
Esq.

(1 March.)

*John Gladstone,
Esq.
(3 March.)*

A general feeling, originating in London, gained ground; how originating I cannot say; but it was so communicated to the country.

A general feeling, originating in London, and sent down into the country?—I cannot say, sent down, but generally understood and felt in the country.

Have you any means of knowing through what channel that information came down to Liverpool?—No; such occurrences are matter of conversation. In communication, it is common for mercantile men, when they meet, to talk matters over, and to compare information on what is passing.

Have you, within the last three or four months, received any information from London, that it was necessary to make all possible exertion in the country, for the purpose of preventing the bank resuming cash payments?—No communications from London to that effect; since I came to town I have thought that it was most important for the interests of the country, in our present state, that the cash payments should not be resumed in July; and in communications with my friends in the country, I have stated this as my opinion, and held out to them the importance of those who thought as I did, expressing those opinions.

Did you suggest any mode by which those opinions would be best expressed?—I remember its being mentioned to me, in letters from the country, that it was contemplated to address a letter or memorial to Lord Liverpool, from Liverpool, upon that subject; and in answer to that communication, I stated, that I thought it would be a more public, a more constitutional, and a more effectual mode of proceeding, to express their sentiments in petitions to Parliament.

When you speak of your friends in the country, are you confining yourself merely to Liverpool?—To Liverpool only: I have had no communication with any other place on that subject.

Then, in fact, it was by the suggestion of yourself that the application to the legislature from Liverpool took that form?—I do not know that; I gave it as my opinion. I believe the gentlemen in Liverpool had been informed, but not by me, that memorials had been addressed to my Lord Liverpool by the city of Bristol, or by persons in trade there, and they were desirous to adopt a similar measure in Liverpool: they wrote to me, communicating this, and consulted me upon it; the opinion I gave them was what I have already stated.

Are you aware whether any bankers in London, connected with Lancashire and the district immediately surrounding Lancashire, have exerted themselves for the purpose of procuring applications, either to the legislature or to the ministry, to prevent the bank resuming cash payments?—Not within my actual knowledge; nor do I know of any correspondence with Liverpool, nor heard it surmised that any bankers, or persons of that class immediately connected with Liverpool, had attempted to promote such a measure. I have heard it stated generally, that one gentleman in London, connected with Manchester, had done so; but I do not know the fact on my own knowledge.

What did you understand that gentleman to have done?—I was told, that he had written to one or more of his correspondents in Manchester; had stated to them that this measure had been adopted at Bristol; that those in Manchester, who thought, as I understood he did, on the measure of the existing bank restriction, ought to adopt a similar measure in Manchester. But I speak merely from report.

Then within these three months, according to the best information you possess, you are of opinion, it has been thought necessary to make all possible exertions to prevent the bank resuming cash payments?—No, I am not aware of that; I have given it as my private opinion, to those who have consulted me, that as they contemplated a measure similar to the Bristol measure, I thought a petition to the House of Commons was a much more proper mode of proceeding.

In point of fact, has it not come to your knowledge, that considerable exertions have been made, and influence exerted, in order to procure such steps being adopted as might tend to prevent the resumption of cash payments at an early period?—I believe that the general disposition which prevailed amongst the merchants and manufacturers of the country was to adopt the measure, and that they generally did adopt it of their own accord, as far as I knew, in communication with each other.

Within these three months?—Within these two months.

Having rejected entirely the suggestion of an unlimited continuance of the bank restriction, is or not the opinion you give upon that subject, namely, that such unlimited continuance would be full of the greatest possible mischief, that which you believe to be prevalent at Liverpool, among those who have nevertheless petitioned

for

for a limited renewal of the restriction?—With the exception of my friend Mr. Cropper, and there is no man whose judgment generally I respect more, I have not heard of any other person in Liverpool who entertains those opinions; there may be others, but I am not acquainted with them.

John Galsworthy,
Esq.
(1 March.)

Do you believe, that, supposing the restriction not to be taken off, the bank of England, for the sake of probable gain, are induced to extend their discounts to paper of doubtful solidity?—No; but I think that the discounts by country banks and through other channels might be extended very considerably, with the facility of raising money by means of paper circulation so protected; I think the system of the bank throughout the whole has been particularly guarded.

Do you, from the view you have taken of the subject, consider that the present issues of bank paper, to the amount of about twenty-five millions, are beyond what the present wants of the country require?—I think they are extremely moderate, and more within than beyond what the country requires in its present state of trade; but I consider the trade to be more limited than it was very lately.

If the bank of England should not find it necessary to make a further reduction in their notes beyond the amount of from two to three millions, would a limited reduction of that nature produce the distress which you contemplate as the probable consequence of the resumption of cash payments?—I think any influence which the restriction of the bank issues produces, is of a secondary nature. I think, in other times, the alteration of two or three millions in their issues would not have been at all felt; but in the present state of the trade of the country, after a year of much overtrading, and a great accumulation of foreign goods in this country, and British goods for British account in foreign markets, that whatever tends to narrow the means of accommodation acts in a much greater degree now than it would in other times.

Would a reduction to that amount produce the degree of distress, which you have described yourself to apprehend in your former answer?—I am not aware that I have stated any particular degree of distress that would arise from a reduction of the bank issues; I have stated the general effect that would be produced, in conjunction with other causes, in case of the resumption of cash payments; if cash payments are not to be resumed, a reduction of the circulating medium of the bank, of from two to three millions, I think would not have any material effect.

Do you contemplate any probability of the foreign exchanges becoming favourable to this country, and the price of gold falling to the mint price, excepting under a diminution of the issues of bank paper, as compared with the present extent of those issues?—I contemplate that the balance in favour of this country, arising from her foreign trade, is such, that unconnected with the conduct of the bank, unless that conduct should tend to cripple and destroy the means for carrying on that trade, and I am not aware well how it can, in the present state of things, produce that effect; that that foreign trade, if left to itself, will create such a balance in our favour, as to bring up the exchanges and down the price of gold, probably within the period of twelve months, to such rates as will afford a prospect of safety in resuming cash payments in this country.

Would not a considerable increase of the issues of bank paper, in your opinion, tend to render the exchanges more unfavourable than they are, and to raise further the price of gold? I am not aware how those results could arise from such a state of things; I conceive that the increase of bank paper can only arise in one of three ways, the purchase of gold and silver as a stock or resource to prepare them for the resumption of payments in cash, an extension of their system of discounts, or, advances for the government of the country; and I am not aware how either of those three means of increasing their issues are to act upon the foreign exchanges: an increase of discounts are for the immediate wants of the merchant whose bills are discounted, and therefore not likely to produce that effect; and I am not aware how any measure connected with the transactions of the government, that might lead to any increase in the issue of the notes of the bank of England, could produce it.

When the market is glutted from an excessive speculation, and a stagnation, followed by a fall of prices, takes place, is not the result always a want of confidence and a locking up of the means of credit and accommodation, so as to produce in the commercial world both the appearances and the effects incident to a scarcity of money?—Certainly, the effects more than the appearances.

Is not excessive speculation, and whatever affords undue facility to it, prejudicial to the best permanent interests of trade?—Certainly; but it is inseparable from the

John Gladstone,
Esq.
(1 March.)

best interests of trade, for it grows out of prosperity; we never have such speculation in bad times, but we always have abundance of it in good.

Are you of opinion, that at the period when foreign exchanges were, at least, five and twenty per cent against this country, and the market price of gold was about the same proportion above the mint price, that the paper currency of this country was in a state of depreciation?—It was, in one sense, in a state of depreciation in regard to the value of gold, but it answered all the other purposes of money in this country, without depreciation.

Martin, 2^d die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

SWINTON COLTHURST HOLLAND, ESQUIRE,

Called in; and Examined.

S. C. Holland,
Esq.

IN what line of business are you engaged?—I am a general merchant.

Connected with Messrs. Baring?—I am a partner with Baring, Brothers, & Co. The house of Baring, Brothers, & Co. is very extensively engaged, I may say, in correspondence with all commercial parts of the world, or nearly so.

In what degree do you consider that the foreign exchanges are affected by the increase or diminution of bank of England paper?—I certainly conceive that the foreign exchanges are affected by the increase of bank of England paper.

Do you think a considerable reduction of the amount of bank of England paper, would have the effect of restoring the exchange in favour of this country, and of preventing any very considerable depression?—That is my opinion.

What extent of reduction, beyond the present amount, assuming that amount to be twenty-five millions, do you conceive might have that effect?—That is a question I scarcely

[Paper A.]—STATE of the LONDON EXCHANGE on Amsterdam, Hamburgh, and Paris; the first and
The Exchange being for

1818:					Bills payable herein from Bills.						Bills of Exchange.	
	January		February		March		April		May		June	
	—	—	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.
Amsterdam	100. 10	100. 7	100. 5	100. 5	100. 8	100. 8	100. 8	100. 8	100. 5	100. 5	100. 1	100. 8
Hamburgh	250	24	240	240	24	24	240	24	24	240	240	240
Paris	100. 5	100. 20	100. 10	100. 10	100. 10	100. 10	100. 10	100. 10	100. 10	100. 10	100. 10	100. 10
Dollars p ^r 100	—	—	100	100	100	100	100	100	100	100	100	100
Bar Gold	—	—	100	100	100	100	100	100	100	100	100	100

1818:	January		February		March		April		May		June	
	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.
	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.	10s.
Amsterdam	100. 5	100. 5	100. 5	100. 10	100. 11	100. 11	100. 11	100. 11	100. 11	100. 11	100. 11	100. 11
Hamburgh	240	240	240	240	240	240	240	240	240	240	240	240
Paris	100	100. 20	100. 20	100. 20	100. 20	100. 20	100. 20	100. 20	100. 20	100. 20	100. 20	100. 20
Dollars p ^r 100	100	100	100	100	100	100	100	100	100	100	100	100
Bar Gold	100	100	100	100	100	100	100	100	100	100	100	100

I scarcely feel myself competent to answer. I should think that it might be better answered by a bank director; for I have not the means of knowing the amount of demand for their notes; it does not come within my knowledge at all.

Have you any means of judging, whether the present amount of circulating medium is greater or less than the natural demands of trade require?—I should say, decidedly, that if the amount of notes at present issued were reduced, it would restrict the exchanges, by increasing the value of money; but the question proposed, embraces such a wide field, that I feel myself scarcely competent to give a reply to it.

You are probably aware, that from the month of March 1816 to the month of July 1817, the exchanges were not against this country?—I never depend upon the printed exchanges in actual business; there is a certain period of 1816 and 1817, in which the exchange was in favour of this country. I do not think it quite embraces that time.

What time do you conceive, according to the accounts you have, the exchanges were in favour of this country?—I should take them from November 1816 to April 1817, when they may be considered to have been in favour of this country, certainly. Perhaps you will allow me to explain, that with respect to merchants in general, who are in credit, the exchange at which they draw may be considered about one per cent more in the drawer's favour than the printed price; that is, the actual course of exchange that passes in London on the exchange days.

Is the difference between the printed rate, and that at which the merchant draws, an invariable one?—I think, invariable; that is, that the merchant who is in the habit of drawing bills, never draws by the printed course, unless he sees some cause why the exchange should be affected at the following post day; but he almost invariably draws at a more favourable rate than the printed course; it is considered creditable to do so, and not to draw at the printed course.

If we make that allowance, of one per cent, we may generally consider the printed rates of exchange to be tolerably accurate?—I think about one per cent; it fluctuates from a half to one per cent. I have brought with me what I consider to be the Exchanges of 1815, 1816, 1817, and 1818.

[The witness delivered in the same.—*Vide Paper A.*]

Have

but Fast Days of each month for the years 1815-16-17-18; with the PRICE of Spanish Dollars and Bar Gold: Bills at three months date.

All the other Days.												
July		August		September		October		November		December		
4th.	20th.	1st.	20th.	1st.	20th.	1st.	20th.	1st.	20th.	1st.	20th.	
112. 8	112. 7	112. 8	112. 30	112. 10	112. 30	112. 25	112. 0	112. 15	111. 8	111. 41	111. 2	For by Kelly's gold, 111. 41 7/8, cash. - 10 3/4 challenges, 2 1/2 points, 1/2 d. cash. - 10 1/2 francs 11 mon- taires, 1/2 d. cash. - 10 by new coinage, 111 1/4 7/8, cash. 11st price, 77 1/2 1/2 p. as.
112 10	112 10	112 10	112 10	112 10	112 10	112 10	112 10	112 10	112 10	112 10	112 10	
112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	
112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	
112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	112 1	

July		August		September		October		November		December		
1st.	20th.	1st.	20th.	1st.	20th.	1st.	20th.	1st.	20th.	1st.	20th.	
112. 1	112. 4	112. 4	112. 5	- -	112. 4	112. 8	112. 17	112. 1	112. 2 1/2	112. 2 1/2	112. 2	
112 10	112 10	112 10	112 10	- -	112 10	112 10	112 10	112 10	112 10	112 10	112 10	
112. 20	112. 20	112. 20	112. 20	- -	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	112. 20	
112 1	112 1	112 1	112 1	- -	112 1	112 1	112 1	112 1	112 1	112 1	112 1	
112 1	112 1	112 1	112 1	- -	112 1	112 1	112 1	112 1	112 1	112 1	112 1	

(continued)

S. C. Holland,
Esq.
(2 March)

Have the goodness to state the causes which, in your opinion, produced that favourable rate of exchange, during the period of which you have spoken?—I should say, that the market price of gold being reduced to the mint price, the exchanges regulate themselves by the former, invariably.

Upon what do you conceive the price of gold depends?—I consider the price of gold as the standard upon which the exchanges turn; it certainly would be affected by an increase or diminution of supply; but at the same time, it may be considered as the general standard of value between commercial nations.

During the period to which you have referred, the market price of gold did not exceed the mint price?—From November the 3d, 1816, to April 4th, 1817, I conceive the market price of gold was below the mint price.

Subsequently to that period, at particular intervals, the market price of gold greatly exceeded the mint price; has there been any variation in the supply of gold, which accounts for the increase of price?—I should think that the supply of gold must have diminished, to a certain degree, or else, if it had been equal to its former accumulation, that the price would have remained at the same rate.

Do you think, then, that the exchanges vary constantly with variations in the price of gold?—Constantly.

And

[Paper A.]—State of the London Exchange on Amsterdam, Hamburgh, and Paris; the first and last Post Days

			14th February, the French loan reinstated for an Paris.		2d French loan, bearing interest for the same period as the first.							
	January		February		March		April		May		June	
	5d.	10d.	10s.	10d.	10s.	10d.	1s.	10d.	1s.	10d.	1s.	10d.
1817:												
Amsterdam	32s. 2½	32s. 10	31s. 10½	32s. 1	31s. 1	31s. 0	30s. 0	31s. 10	31s. 10	31s. 10	31s. 11½	31s. 14½
Hamburgh	24½	24½	24½	24½	-	25½	-	25½	25½	25½	24½	25½
Paris	78s. 10	25½	32s. 10	31s. 10	-	25½	31s. 10	31s. 10	31s. 10	31s. 10	31s. 10	31s. 10
Dollars p ^r cent	40s.	41s. ½	-	41s. ½	-	41	40½	40½	-	40½	40½	41½
Bar Gold	74½	74½	-	74½	-	74½	74½	74½	-	74½	74½	74½

					Premium loan.							
	January		February		March		April		May		June	
	5d.	10d.	10s.	10d.	10s.	10d.	1s.	10d.	1s.	10d.	1s.	10d.
1818:												
Amsterdam	31s. 8½	31s. 4½	31s. 8½	31s. 8	31s. 4½	31s. 8	31s. 8	-	31s. 8	31s. 8½	-	31s. 4½
Hamburgh	24½	24½	25½	25½	25½	24½	25½	25½	-	25½	-	25½
Paris	31s. 10½	31s. 10½	31s. 10	31s. 10½	31s. 10	31s. 10	31s. 10	31s. 10	-	31s. 10½	-	31s. 10½
Dollars p ^r cent	41	41	41	41	-	-	-	41	-	-	-	-
Bar Gold	24½	24½	24½	24½	24½	24½	-	24½	-	24½	-	24½

	January		February									
	5d.	10d.	10s.	10d.	10s.	10d.	1s.	10d.	1s.	10d.	1s.	10d.
1819:												
Amsterdam	31s. 8	31s. 4	31s. 8	31s. 8	-	-	-	-	-	-	-	-
Hamburgh	24½	24½	25½	25½	-	-	-	-	-	-	-	-
Paris	31s. 10	31s. 10	-	31s. 10	-	-	-	-	-	-	-	-
Dollars p ^r cent	41	41	-	41	-	-	-	-	-	-	-	-
Bar Gold	24½	24½	-	24½	-	-	-	-	-	-	-	-

And that no other causes affect the exchange but the price of gold?—Other causes affect the exchange, certainly; but I consider gold the standard which brings them back again to their level.

Have the goodness to explain what other causes affect the exchange, independently of the price of gold?—The variation will depend on the extent of demand and supply; but the price of gold will be the standard by which the equilibrium will be restored and maintained.

To what extent do you think the other causes, which you conceive operate upon the exchange, did operate during the period at which the exchanges were in favour of this country?—If the price of gold was steady, I do not conceive that the other causes would have operated upon the exchange at all; because I think that the bullion merchants would have preserved the level of exchanges.

During the interval that elapsed, between the years 1774 and 1797, the price of gold appears to have been nearly invariable; the exchanges vary considerably: To what do you attribute these variations in the exchange, at that period?—That was a period before I was engaged in business, and therefore I do not feel myself competent to answer the question. I have no means of forming an opinion, but by reference to books, which I have not consulted.

S. C. Mallet,
Esq.

(a March.)

Then

of each month, for the years 1813-16-17-18; with the Price of Spanish Dollars and Bar Gold, &c.—continued.

3d French loan contracted for in Paris. Barometre open loan.											
July		August		September		October		November		December	
sd.	den.	sd.	den.	sd.	den.	sd.	den.	sd.	den.	sd.	den.
-	11. 10	11. 12	11. 11 ½	11. 12	11. 11	11. 11 ½	11. 9	11. 8	11. 8	-	11. 8 ½
24 ½	24 ½	24 ½	24 ½	24 10	24 5 ½	24 5 ½	24 7 ½	24 5 ½	24 5	-	24 5
24 10	24. 20	24. 20	24. 40	24. 45	-	-	24. 50	24. 47 ½	24. 37 ½	-	24. 40
25	25	25	-	25	-	-	25	25 ½	25 ½	-	25
-	24 ½	24 ½	24 ½	-	24 ½	-	24 ½	24 ½	24 ½	-	24 ½
											Average of 12 months. 24 ½

Barometre open loan.											
July		August		September		October		November		December	
sd.	den.	sd.	den.	sd.	den.	sd.	den.	sd.	den.	sd.	den.
-	11. 7 ½	-	11. 7 ½	11. 8	11. 8	11. 8 ½	11. 8 ½	-	11. 1 ½	11. 6	11. 6
24 ½	24 ½	24 ½	24 ½	24 8	24 7	24 8	24 ½	24 11 ½	24 8	24 7	24 5
-	24. 30	24. 30	24. 30	24. 30	24. 72 ½	24. 70	24. 50	24. 50	24. 30	24. 27 ½	24. 40
-	25 ½	25 ½	15	24 ½	24	-	25	-	24	-	24 ½
-	24 ½	24 ½	24 ½	24 ½	24 ½	24 ½	24 ½	24 ½	24 ½	-	24 ½
											Average of 12 months. 24 ½

-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
											Average of 12 months. 24 ½

S. C. Holland,
Esq.
(20 March)

Then your confidence in the theory depends merely upon the observations made during the period you have been in business?—Yes.

Then upon that observation you conclude that the main cause which affects the exchanges is the price of gold?—That is my opinion.

To what extent do you think the price of gold is affected, by an increase or diminution of the paper of the bank of England?—The price has varied considerably in different years; the circulation of the bank of England must have had an effect, but I cannot tell the quantity of notes which have affected it; I should think that might be told by the experience of bank directors, but as I have not the means of knowing the number of notes out at the period when the price of gold rose or fell, or the various other causes which might affect it, I am scarcely competent to answer the question.

Can you state what has been the extent of variation in the price of gold, in those countries which have a metallic currency?—In France, I think it has varied very little for the last four years; in Holland, it varied considerably, particularly at the time that Buonaparte landed from Elba; that had an effect upon the price of gold. In Hamburg I think the price has not varied very materially.

Supposing that the circulation of this country consisted either of gold coin, or of paper convertible into coin on demand, do you think that in that case the price of gold would be subject to great fluctuation?—I do not think it would, provided there were no monopoly in it, and that the imports and exports were free; I mean the export and import of both bullion and coin.

Have the goodness to explain what you mean, by no monopoly of the coin being allowed?—The Committee are probably aware, that there are restrictions in the exportation of bullion from this country, and the exporter is obliged to go before a court of aldermen, and swear that the bullion has not been melted from the coin; that I call a restriction; and I consider the bank brokers to have considerable influence in the bullion market, from the manner in which that business is conducted at the bullion office, which forms a species of monopoly in favour of the bank.

As you consider there would be no great fluctuation in the price of gold, supposing the circulation of this country to consist of coin, or paper convertible into coin, to what do you attribute the present fluctuations?—The quantity of paper in the market is greater than the market can bear. If it is thought desirable to reduce the price of gold to 3*l.* 17*s.* 10*d.* I conceive that that can only be done by a reduction of the paper.

Do you think the investment of British capital in foreign funds has contributed to depress the exchange?—I do not.

Do you think any extent of investment of British capital in foreign funds could have that effect?—Not any voluntary extent; not any probable extent certainly.

What do you mean by voluntary extent?—I meant merely to say any amount that would be likely to be invested.

Do you think that any great importation of corn, on account of an unfavourable harvest, could have an effect upon the exchanges in the present state of the currency?—I do not think it could; because there is an action and re-action which keeps the exchanges on a level.

By the returns which have been presented to this Committee, it appears that the value of the grain imported from all parts of the world into Great Britain, during the last year, was nearly six times the amount of the value of the corn imported in the years 1815 and 1816, and more than double the amount of the corn imported in 1817; you do not think that excess of importation above the importation of ordinary years, has produced any effect upon the exchanges?—I do not think it has; for I consider that the countries which supplied that corn would consume our manufactures, or something the industry of this country would produce, which would be equivalent to the supply of the corn they gave to the country.

What are the causes which, in your opinion, regulate the demand for bills?—A variety of causes may create a demand for bills, large purchases abroad, investments or in factory demand for money abroad.

or by government or individuals?—Either the one or the other, I conceive the price of bills.

With a stationary price of gold, may there not be, at various times, such a storm per of exchange, arising from commercial transactions and other may be within the limits of the expense of the transmission of the precious as one country to the other, for the purpose of correcting that difference? I am certainly that the exchanges will regulate themselves upon the price of gold

gold, and the expenses of sending that gold; that if there is any material difference from any particular cause, that that cause will still be regulated by the transmission of gold, and that the exchanges will be thereby brought back to their level in a very short time.

S. C. Holland,
Esq.
(1 March.)

You mean to say, that with a stationary price of gold, there may be such variations in the rates of exchange as may be equivalent to the expense of transmitting the gold from one country to the other?—Certainly.

Can you estimate the value of bullion sent from this country, in consequence of the loans in foreign countries?—I should almost doubt whether any have been sent; I can only speak to what the house, in which I am concerned, has done; we have not sent out of the country an ounce of either gold or silver, on account of the French loans.

In what manner have these payments been effected?—They have been effected in the currency of the country in which the loans have been created, and speaking of the French loans, in the French currency.

In what manner, by bills of exchange, or by the transit of commodities, have those credits been effected in France, by which these payments have been made?—I conceive, that the great payments on account of French loans have been made by foreigners in the currency of France.

In what way has that portion of remittance belonging to British subjects, been remitted by bills of exchange, or by the transport of British commodities, or both?—The immediate payments, I should think, have been effected by bills of exchange; but in order to create those bills of exchange, British commodities, or other commodities, must have been exported to France, or countries connected with France, from whence there would be another set of bills of exchange, which would regulate the payment: For instance, I will say a merchant in Manchester ships £10,000 worth of goods to New York; those goods are sold in New York: another merchant in America ships £10,000 worth of tobacco to France; there is a debt created in America to the merchant in Manchester, by the transmission of those goods to New York; there is a debt created in France to the merchant in America, by the sale of his tobacco: the payment of the whole is regulated by bills of exchange: the merchant in America, who owes to the merchant in Manchester, orders his correspondent in France to remit to England the value of the tobacco, and the transaction between the different countries is settled by bills of exchange. This is a real transaction, and it is the common occurrence of every day.

The Manchester man has a credit in France, upon which he may draw; and that he may sell to any person who wishes to invest it in a loan?—Just so.

Have you any means of estimating the quantity of British property permanently invested in the French funds?—I do not think I have accurate means of estimating; I can form an opinion. I should say, perhaps, three millions sterling. I believe a larger sum has been employed in the French loans, by way of speculation; but a great part of that sum has been drawn back, with profit to this country; and perhaps there are three millions, at present, of permanent stock: but I think, if French stock advances in price, a considerable portion of the three millions may very probably be withdrawn.

Can you form any conjecture of the quantity of British capital, permanently invested in the Prussian funds?—No, I cannot; but I should think it very small.

Can you form any conjecture of the quantity of British capital, permanently invested in the American funds?—I think I can give some idea of the British capital invested in American funds; but of course it cannot be accurate. I merely judge from the amount of dividends paid by our own house. I believe that we pay a great part, almost entirely; but at the same time there are other houses who pay dividends, and there are persons who receive their dividends direct from America; and therefore the answer I can give will not be accurate. I form the estimate, considering it all as a six per cent stock: at the same time I must inform the Committee, that there is a seven per cent stock, a six per cent stock, and three per cent stock, and a five per cent stock; but I consider the average it gives to British capitalists about six per cent. Perhaps it will be agreeable to the Committee to receive the statement for different years. I take it from 1801 to 1818, in successive years: in 1801, I find the amount of capital invested about £4,182,003; then it goes on, in 1802-3-4 and 5, at nearly the same amount: in 1805 it amounts to £5,747,483; then till 1807, it continues from five to six millions: from 1808 to 1810, it is reduced to between four and five millions: in 1811, to £3,195,000; and from 1812 to the present time, it has varied from £1,200,000 to £1,400,000: the last year it was £1,071,617. During the years of war with America, people

S. C. Hallard,
Esq.

(5 March.)

became timid, and drew out their capital, and it has not been re-invested in American stock.

Do you think, that the whole amount of British capital invested in foreign funds, including the American funds, amounts to as much as £. 10,000,000?—I should think not; of permanent capital, certainly not.

During the time that the exchange was either at par, or favourable to this country, at what price was gold at Paris and Hamburg?—At Paris it has remained very stationary indeed for the last four years; at Hamburg, the variation, during those periods, does not come to more than one per cent upon the average.

Taking the course of exchange between this country and Paris and Hamburg, was there any, and what difference, in the price of gold in this country, in consequence of the exchanges being more favourable to those countries, and less to this country?—It fluctuated, to the extent of a half to one per cent, at Hamburg; at Paris, not so much.

What are the causes to which you attribute the great stagnation and fall in price that have lately taken place in many articles of import?—I consider, that some of the leading articles of import have never found their average peace value: for example, in the article of cotton, there has been a very great fall; the price of cotton, ever since the war, has been kept much higher than it ever was prior to the war: for instance, the price of what is commonly called upland cotton was from twenty to twenty-two pence, this time last year; now the price is from fourteen to sixteen pence. Tobacco is another article fallen in price, in the same proportion. This applies equally to some articles of East India produce. Bengal cotton was selling at from eleven pence to thirteen pence a pound: it is now selling from sixpence to eightpence; and there has been a great reduction in various leading articles of commerce: to that I attribute the stagnation at present existing in business.

And the distress?—The stagnation and the distress.

In consequence of the prices last year being, as you state, considerably above the peace prices, has there been an importation in those articles far exceeding the average demand of the country?—There has been a much increased importation of those articles.

Do you attribute the present embarrassments in the commercial world, to the increased importations having reduced prices to what you consider to be the peace prices of those articles?—Certainly I do; the two leading articles, cotton and tobacco, I should say have been maintained at much higher prices than what I consider a fair recompence for the grower of those articles in the countries which produce them. If the farmer or planter can, by the employment of capital, obtain fifteen or twenty per cent, I should say he is extremely well paid; I believe he has, in the article of cotton, got forty or fifty per cent, or more, and therefore, I think that the reduction of price in those articles is only reducing it to the average peace price.

Has the effect of those great importations been loss to the importer, and great profit to the grower?—That I should conceive to be the state of things, certainly.

Are there any other causes to which you attribute, in part, the present distress and stagnation in the commercial world?—If the bank of England has thrown out any quantity of paper, undervalued that institution for discount, it must have increased the distress.

It having been stated to the Committee, that the bank regulate their discounts at this moment precisely upon the same principles as at any former period, are you of opinion, this being the case, that any circumstances, connected with the amount of their circulation, have contributed to the present distress?—Not at all, if they have regulated their discounts in the same manner as they have done before.

You have been understood to state, that part of the unfavourable exchange and high price of bullion may be attributed to an excessive issue of bank paper; in the year 1816, when the exchanges were favourable to the country, and the price of gold low, how can you account for it, that the issues at that time were twenty nine millions, the present issue being twenty-five millions?—I presume the state of trade required a greater issue of bank paper at that period for the circulation of the country than it does at the present.

Do not you consider that the trade of the country, and particularly with the East India, has rather increased than diminished since the period of 1817?—The import in quantity has increased; but I doubt whether it has increased in the same ratio of value, because I give as an instance, that cotton, a leading article of import from India, has fallen nearly one hundred per cent, and of course there must be a

diminution

diminution of circulation upon that article to the amount of one hundred per cent; that is to say, if it sold at one shilling to fourteen pence a pound a year ago, and now sells at sixpence, there must be a diminution to the amount of one half in circulation on that article.

Being aware that there is not only that fall in the price, but that the article is almost unobtainable, would you not think that additional circulation and facility ought to be given to the merchant to enable him to hold such stock of goods?—I do not see what facility can be given to the merchant, unless more be advanced to him than his goods are worth at the market price.

You have stated, that action and reaction will bring exchanges round and bring gold to its level; if that is the case, in what way can you account for the circumstance, that the coin has, from the beginning of His present Majesty's reign, constantly found its way out of the country, and not found any reaction to bring it back again?—If the market price of gold is higher than the mint price, it is impossible to keep it in the country.

Would you not think one of the circumstances that would render the exchanges unfavourable to this country, and raise the price of gold above the mint price, to be an unfavourable state of things in this country, or in other words, a balance of payments against the country?—No, I do not; because I should call gold the general leveller between all commercial nations, and that it invariably brings back the exchanges to their proper level, taking gold against gold as the standard of value.

It appears that up to the year 1797, at the time of the cash payments, and when there was supposed to be about twenty millions of gold in circulation, forty millions have already disappeared; can you account, in any degree, why that gold should not have found its way back again, unless by the balance of trade being against this country?—I conceive nobody will import gold into this country, or into any country, unless they can get a profit by it; and I presume the prices have been such, that no profit could be obtained.

Supposing the facts to be as stated in the last question, should not you infer that the ten millions which remained behind were sufficient, when added to the paper currency which remained behind, for the natural demands of trade?—Certainly.

And that the demands of foreign countries would carry the surplus out of this country as not being required here?—Certainly.

Do not you conceive that, in order to enable the bank to reduce the price of gold and effect a favourable exchange, some further reduction of the amount of bank notes issued, would be necessary?—I certainly conceive it would, to restore the price of gold to its level.

Would not that reduction of the issue of Bank notes, cause a further reduction in the price of commodities?—No question it would.

How far would that further reduction of the price of commodities, superadded to the reduction which has already taken place on account of excessive importation, operate prejudicially upon the interests of trade?—It would operate prejudicially on the present stock of goods in this country, because the price would be reduced in proportion; but on the goods which are to come in future, I do not think that it would operate, because they would cost to the importer into this country a reduced price, in the higher rate of exchange which he would receive.

Would it add to the embarrassment arising from the stagnation which has already taken place, supposing the reduction to be carried into effect at this moment?—If the directors of the bank of England reduce their issues of mercantile discounts at this moment, I conceive it would certainly add to the embarrassment.

Do not you conceive that the effect of an excessive import, leading to a stagnation of trade, will be to assist in turning the exchanges in favour of this country?—I believe it will have a tendency that way.

Would not any measure connected with a reduction of the circulation, as preparatory to the resumption of cash payments, be less severely felt when the exchanges have been so far relieved by this natural cause, than at the present period?—Yes, I conceive it would.

Was your house concerned in the transmission of gold to Russia the last year, for the purpose of an extensive coinage?—It was not.

What sum of money do you think is still due from this country to France, for the purpose of making good payments on loans contracted for by British subjects?—That is a question that I am not able to answer.

Whatever that sum may be, have you any means of judging whether remittances

have,

S. G. McLeod,
Esq.
(a Month.)

S. C. Hallam,
Esq.
(to March.)

have, for that purpose, already been made, or are still to be made?—I should think that funds for that purpose were already on the continent.

Are you of opinion, that any considerable sum will still be to be remitted from this country, in consequence of any loans contracted for abroad?—Certainly not.

What do you conceive to be the amount of dividends annually payable to this country from French stock held by English subjects?—I can form an opinion upon it, but I cannot give an accurate statement; making a rough estimate, I should say £. 150,000 a year would be the extent of it.

What proportion do you apprehend that to bear to the sum still remaining to be remitted to France, in the present year, to make good engagements, on account of foreign loans?—If the market for foreign stock should be good, there will no money as all to be remitted from this country, but a considerable sum to be received; it depends entirely upon the state of the market. Mr. Baring in Paris has regulated the instalments, so that I have not the means of knowing the amount remaining unpaid; but I should say, the probability is, that there will be nothing to be remitted; but that if the market turns out a good one, there will be something to be received.

Into how many instalments was it divided?—I think, eighteen monthly instalments.

How many have been paid up?—I cannot say.

Can you form any judgment to what extent British capital has been remitted to the continent, for the purpose of investment in other pursuits, for the purposes of trade, for instance?—No, I cannot.

The market price of gold in the year 1817, in this country, having been 3*l.* 18*s.* 6*d.* and having since risen to 4*l.* 3*s.* being a rise of nearly seven per cent; and you having stated that, within the same period, there has been no rise in the price of gold in France, and a variation at Hamburgh only amounting to one half, or one per cent; if it should be stated, that a considerable rise has taken place in the price of gold in those two countries, within the same period, are not you of opinion, that such a statement would be unfounded?—I am of that opinion; because I bring matter of fact to show that it is unfounded, so far as I take it from the quotation. I have not the means personally of judging.

Do you believe, that in any other country in the world, of which you have any knowledge, there has been, within the same period, a rise in the price of gold to the amount of that rise which has taken place in England, namely, seven per cent?—Not to my knowledge.

Are you acquainted with the price of gold and silver in the United States of America?—I believe I know the last quotation of silver; I am not sure as to the gold; I think the last quotation of silver at New York (which I conceive to be a central point,) was five per cent above its nominal value.

In what was that expressed; in a paper currency?—Yes, in the currency of the country.

Is that paper currency convertible into coin?—All the banks are by law obliged to pay their notes in coin, if demanded; and there is no protection for any bank that does not pay in specie; but America has latterly been overwhelmed with a variety of banking establishments; and I have understood that some of these banks have increased their issue of paper to such an extent, that they have experienced considerable difficulty in finding specie to meet their engagements. The bank of the United States always pay their notes in specie, when demanded.

To which species of paper do you refer, when you say, that silver bore a premium of five per cent; to the United States notes, or what other?—I referred to the Spanish dollar, when I said a premium of five per cent, and not the silver of the United States. The Spanish dollar, which formerly passed current in the United States, in an equal price with their current dollar, has been at eight per cent; and I think the last quotation was at five per cent.

Does their current dollar contain the same quantity of silver with the Spanish dollar?—I think precisely the United States current dollar contains 371½ grains of pure silver, or 416 grains of standard silver.

Is the current dollar and the bank paper of the same value?—Yes, they are of the same value.

What is the lowest denomination of paper currency issued by any of the American banks?—I do not think that any of the banks at present issue notes lower than a dollar. Some corporations and individuals may have made an issue of paper of a lower denomination, during the war; but such notes are now out of circulation.

There

There is no law to limit the minimum of denomination of paper?—The bank of the United States is not allowed to issue any notes of less amount than five dollars; but I am not informed of the regulations of the different state banks.

If the bank of England paid in specie upon demand, do you believe there ever could exist, for any length of time, a material difference between the mint and the market price of gold?—Decidedly not, in my opinion.

In referring to the year 1797, when, you are aware, that the gold went out of the country very fast, are you of opinion, or not, that if the bank had not suspended their payments in specie, the whole of the gold would have gone out of the country?—As a matter of opinion, I should say it would not; for they must have retained a certain portion of gold in this country, to answer the currency.

Have you considered any mode, by the adoption of which you think it might be practicable for the bank to resume cash payments?—It having been intimated to me, some days ago, that I was likely to be called before this Committee, I turned my attention to the subject. My opinions are chiefly founded upon Mr. Ricardo's theory, reduced, as I conceive, to a practical form. If the Committee think it is not waste of time, with submission, I will read them.

[The Witness read as follows.]

* IN submitting this plan to the consideration of the Committee, I must beg to premise, that the ground work of it is entirely taken from Mr. Ricardo's admirable pamphlet, "*Proposals for an economical and secure Currency*;" that if there is any merit in the plan, that merit appertains to Mr. Ricardo. With this gentleman I have not had any communication on the subject, nor have I the honour of being known to him; that I have merely reduced his system into detail and form for practice; and I can venture to assert, as a practical man of business, that there will be little, if any difficulty, in carrying it into effect; that it will not unnecessarily cramp circulation; that it will not impede the ordinary measures, either of government, or the mercantile community; but that, on the contrary, it will restore order and harmony to the system, and give to the country, what all parties, who wish its welfare, desire, a safe and efficient standard of value; variable, it is true, to a certain degree, but less variable than any standard which any country has ever yet established.

" That the bank be required by Parliament, within months from the day of the Report of the Committee, to pay (if demanded) all their notes, large and small, if the amount presented, added together, forms a sum total of one hundred pounds; and that the same shall be paid by the ounce of gold, at the option of the bank, either in gold, in specie of the current coin of the realm, gold in ingots, bars, or gold in foreign coin, the foreign coin of each country to be assayed, and its value declared per ounce in English currency, by tables, to be affixed to the wall of the bullion office in the bank of England, and open to the inspection of the public; and should any of the countries issuing such coins, diminish or increase the value of the same, by an addition or diminution of alloy, the bank to order fresh assays to be made, and to regulate the price per ounce, according to the present legal standard fineness for gold, of eleven parts of pure gold, and one of alloy.

" Let the period at which the bank is to commence this system be made public, and declared to the world as fixed, absolute, and unchangeable.

" Instead of 3*l.* 17*s.* 10*d.* per ounce, let the standard value be declared to be 80*s.* per ounce; which would require the bank to deliver or pay against £. 100 of its notes, exactly 25 ounces of gold of standard fineness, (or in proportion to standard fineness, if delivered in foreign coin) and thereby the standard value of a bank note would be fixed and determined, subject only to such variations as the market price of gold might experience; but which, I contend, on this system never could vary materially, provided the directors of the bank followed the ordinary and acknowledged system of banking, by limiting their issues of paper to the amount of the demand which they found by experience to exist for that paper; and it cannot be doubted, that they require only to curtail their issues in a very slight degree, at the present moment, to be enabled to carry the system into effect.

" In order to preserve the equilibrium between paper and gold, and prevent bank notes, rising to a premium, the bank must be obliged to deliver its paper to the public, or to the bearer of one ounce or more of gold in bullion, (or coin in its relative proportion per ounce to standard) thereby creating a fixed

A. C. Holland,
Esq.
(3 March.)

S. C. Holland,
Esq.
(a Member.)

and invariable market for gold, at 80s. per ounce; and by this means, the bank will constantly be increasing the stores in its vaults on the one hand, whilst it is delivering out with the other. In ordinary times, the vibration would be equal, and will not require any artificial aid to maintain it in order.

"The exchange with foreign countries would regulate themselves the moment that this system commenced; and the pars would rule in proportion to one ounce of gold for four pounds sterling; they would be steady, and without any fluctuation of moment, as the system would correct itself, and, by action and reaction, maintain the equilibrium of the value of one ounce of gold.

"This system will require the trade in bullion to be free, unrestricted, and the import and export allowed, without any impediment being thrown in the way thereof.

"Bank notes will be required to be made a legal tender so long as, and no longer than the bank gives 95 ounces of gold for 100l. in bank notes.

"Under this system, the circulation of country banks will not be disturbed; they will be required, as at present, to pay their issues in notes of the bank of England, and consequently, the holder of their notes can command gold for them when he requires it.

"I have named eighty shillings per ounce as the fixed standard price of gold, because, under existing circumstances, that appears to me a more equitable, as well as more simple arrangement, between debtor and creditor, than returning to the mint price of 3l. 17s. 10½d. per ounces. I have taken the price of gold the first foreign post day in each month during the following years, and I find, on this basis, that the average price of 1816 was 80s. per ounce,

1817 - 79s. 5½d. d"
1818 - 81s. 5d. d"

forming for the average of the last three years, 80s. 3½d. per ounce, and all contracts made during these periods, have, in reality, been grounded on this standard. To go further back, would only be entering into the years of war when convulsions shook the paper-system in an extraordinary degree, and caused more than five pounds of bank notes to be given for an ounce of gold; but as, since the years of peace, gold has been reduced to a moderate average price above the present declared mint price, it seems the most equitable to take a medium rate for the standard.

"Experience alone can decide the fact; but arguing on recognized principles of banking, the directors would not have occasion to curtail, in any great degree, the present issue of notes, and the circulation need not experience any material change from the present circulation; the issues of the bank must, indeed, be so far reduced, as to bring the market price of gold from 81s. 6d. (the present price) to 80s.; but as the price last week was at 81s. and in 1816 and 1817 the market price was 78s. 6d. it cannot require any extraordinary effort at present to bring the price down to 80s.; and such a reduction will neither cramp the measures of government, or press on the commercial community, particularly if a few months public notice is given of the system proposed.

"The effect of any public measure being always anticipated in this country, the probability is, that the price of gold would find the standard level we propose prior to the period declared for payments in bullion.

"The plan proposed, makes no alteration in the small currency of the country, which may remain on its present footing without any farther legislative interference.

"Silver being more variable, as a commodity, than gold, a question arises, whether it is desirable to admit it at all as a standard of value; but if the wisdom of the Legislature should determine otherwise, let the relative proportion be ascertained, according to the present coinage, and the number of ounces of silver, of standard fineness (viz. 11 oz. 2 dwts. of pure and 18 dwts. of alloy) be determined that are to be given for one hundred pounds of bank notes, and foreign silver coin to be received and issued by the bank in the same manner as, proposed for gold coins. My own opinion is, that a gold standard is preferable, and that the equilibrium will be better preserved by maintaining gold *only* as the standard of value.

"It is for the consideration of the Legislature, whether the bank should be made to pay to government a *bonus* for permitting the establishment to possess the circulation of the country; and the same consideration will be

drawn to the means of preventing forgeries. I have not entered into these objects in the foregoing exposition, as I have merely endeavoured to place before the Committee a plan for a *safe, permanent, and invariable standard of value*, founded on our present circulation and existing relations between debtor and creditor."

*S. C. Halland,
Esq.
(1 March.)*

Observing a blank in the paper you have delivered in, with what number of months would you suggest the filling it up?—I should think there could be no difficulty in accomplishing the project in six months; I should say less, in arguing theoretically, and it is desirable the change should be gradual; but the experience of the bank directors would be useful in solving this question.

Do you think that the bank of England could, without inconvenience, carry on a larger proportion of its business than it now does, in the way of transfer, in the same manner as the bank of Hamburgh, without the issue of notes?—It would interfere so much with the private bankers, that I think a considerable difficulty would occur. In the bank of Hamburgh, I believe, each merchant keeps an account, and therefore it is only a transfer from one account to another; but in London, few merchants, very few indeed, keep accounts with the bank of England.

Supposing that part of your plan, which proposes a rise in the price of gold from 3*l.* 17*s.* 10*d.* to 80*s.* was not approved, and the rest adopted, would it not be desirable to give a longer period for the bank to make those preparations which would be necessary to resume cash payments?—All variations, I conceive, are better effected by degrees; my opinion is, that six months time would be adequate for either plan.

In the case supposed, would not a further reduction of bank notes be necessary in the one case than in the other?—Certainly.

Would not a larger provision of bullion in the bank be necessary for the opening on the one plan than on the other?—I conceive the increased proportion would not be material.

Do you think, that on the opening of the bank, there would be a considerable demand for gold for the purposes of circulation?—For the purposes of circulation, never; it would only be used as an article of commerce.

In that case, you suppose the one pound notes would be permitted by law to continue in circulation?—Certainly; I speak under that impression.

THOMAS TOOKE, ESQUIRE,

Called in; and Examined.

WHAT is your line of business?—I am a Russia merchant, and partner in the house of Stephen Thornton, Brothers, & Co.: I have been thirty years in business.

*Thomas Tooke
Esq.*

Have you observed, that there has been of late a considerable stagnation of trade?—I have.

To what causes do you attribute that stagnation?—I attribute it, in a very great measure, to a previous artificial elevation of prices, occasioned principally by what I conceive to be, an excessive issue of bank notes, commencing in the spring of 1817, but particularly increased in July 1817.

Do you conceive that excessive issue of bank notes gave an encouragement to undue speculation and enterprise?—In a very extraordinary degree. It likewise had the effect of reducing the rate of interest very violently, inasmuch as to produce a very general tendency of capital out of the country, for more beneficial employment. It occasioned a sort of a rage for investments in all the foreign funds, which held out any prospect of tolerable security. It likewise operated as a bounty, to a very extensive degree, for importing from all quarters, the articles that had begun to rise in this country, and at the same time diminished the inducement to export. The consequence has been, in a variety of articles, a vast accumulation of goods, which, even supposing that there were no reduction of paper, must, by this time, have a tendency to a stagnation.

Do you conceive the accumulation of commodities at this period, is sufficient to account for the subsequent stagnation?—I do.

And for the reduction of price?—And for the reduction of price.

Can you state at all, to what extent the general reduction in the price of these commodities, in the importation of which from abroad you are concerned, has taken place; has there been a general average reduction?—There has been a considerable reduction in most of the articles with which I am conversant; and, as I understand, the same remark is applicable to most other lines of business.

Thomas Tooke,
Esq.
(21 March.)

Do you consider any part of that stagnation to be attributable to an impression upon the public mind, that the bank would shortly resume its payments in cash?—There is no doubt that that opinion has some influence in affecting the markets. It induces a greater disposition among sellers to come forward; and among buyers to hold back; at the same time, the effect of any given fall is, in general, to produce a disposition to buy, at each successive step of that fall.

From your connexion with Petersburg, probably you are able to give an account of the re-coining of gold, which has taken place lately?—It can scarcely be called a re-coining. A very large coining, chiefly of silver, has taken place in Russia, and in some respects, under rather singular circumstances. Paper is the only avowed or general currency; every thing there is measured by its price in bank notes. The influx of silver seems, in some measure, to have arisen from a peculiar demand from this country for Russian goods, which demand may be ascribed to the general cause which I mentioned, viz. the advancing prices here, which operated as a bounty on importation. The Russian government likewise issued proposals for a loan in the year 1817, to the extent of about 38 millions of roubles, nearly 2 millions sterling; and in 1818, for a further loan of an indefinite amount, but limited in point of time to the 21st of December old style. The second loan received subscriptions to the amount of 67 millions of roubles, nearly 3 millions and a half sterling. The operation of that loan, combined with the extraordinary demand for Russian produce, including corn, was to raise the exchange, and thus afford a benefit upon the importation of bullion, chiefly silver. The mint at the same time gave coin, with a very considerable degree of facility and rapidity, in return for every lodgment of gold and silver. The gold and silver so coined, went immediately into circulation, at a variable price. Three years ago, the price of the silver rouble was as high as 4 roubles and 15 copers, in bank notes. It has since declined to 3 roubles and 70 copers. The exchange at Petersburg, which in the autumn of 1816 was as low as 93d. for the paper rouble, at the close of 1818, reached nearly 123d.; being an advance of about 25 per cent. It is obvious, that so great a rise of the exchange throughout this period, favoured the importation of specie. The intrinsic value of the silver rouble is from 38d. to 39d.

Has the coining which has taken place in Russia, to so considerable an extent, affected in any degree our commercial dealings in this country, making it more desirable to remit bullion in return for the commodities we receive from Russia, than it has been at other periods?—It certainly has favoured the exportation of bullion to a very considerable extent. It does not so happen, that the importers of Russian goods paid for them directly with the silver so sent out; the silver was sent out as a separate speculation, as connected with the exchange; but did not go directly in payment of the goods imported from thence.

Do you think it affected the price of silver bullion in this country, and to what extent?—I have no means of judging upon that point.

Supposing that during that interval, the bank of England had been paying 4s notes on demand in cash, do you think that the effect of that coining in Russia would have been in any way to derange the circulation of this country?—I conceive that it would have had no such effect; and that the shipments of specie to Russia would not have taken place to any thing like the same extent, had it not been for the causes which I before mentioned, of the artificial abundance of money in this country, which forced capital abroad; and this superabundant capital went partly in the shape of specie, indirect, for investment in the Russian funds, and partly for the purchase of unusual quantities of Russian produce.

Do you think, that the embarrassment that has arisen in the mercantile world, from speculation and enterprise, previously entered into to so great an extent, would be aggravated by any reduction which might take place in the prices of commodities, consequent on a reduction in the amount of the circulating medium of the country?—There is no question, that in proportion as any increased issue of bank notes beyond the just level, (which I assume to be that amount which would circulate, if the paper were convertible into coin) produces an artificial elevation; so the diminution of issues, necessary to produce a full reaction, would occasion an artificial but temporary reduction of prices below their fair level.

Do not you think the depression of price, in consequence of alarm operating on the public mind, might go beyond the natural depression, which would arise from the reduction of the circulating medium?—Yes, I conceive there would be an effect of that kind; but it would only be accelerating what must occur, provided it were in contemplation, at any time, to reduce the issues of the bank to their cash level.

'Supposing, in order to produce a reduction in the price of gold, the bank were to reduce the amount of its notes outstanding, and to reduce the extent of the accommodation granted to merchants in the way of discount; to what extent do you think that reduction would operate prejudicially upon trade?—I cannot answer that question, without assuming something definite as to the degree of the reduction.

Thomas Tooke,
Esq.
(9 March)

'Supposing a reduction to take place, in six months, to the extent that the bank notes in circulation should be less than the present amount of twenty-five millions, by two or three millions?—I must beg leave to state it as my opinion, on very careful consideration, that no such reduction will be necessary, during the following six months, to produce that effect. I have very strong reasons for thinking, that a reduction little if at all below 25 millions, will be sufficient to recover the exchanges to par, and to reduce the price of bullion to the mint standard. This effect, however, will very much depend upon the security or pledge which may be given to the public, that, in the interval, this amount shall not be exceeded, and that a sincere intention is entertained of effectual preparation for the resumption of cash payments, within a reasonable and definite time. But after all, it is a mere conjecture whether the reduction already made will be sufficient, within the given time; and unless the price of bullion continues steadily, however slowly, to improve, it may very soon, and much before the expiration of even three months, be determined to be insufficient, particularly if the present stagnation should go off in the mean time.

'Supposing there was a positive obligation imposed upon the bank to resume cash payments at the expiration of a year, do you think it would be possible for the bank, acting with prudence and discretion, to take such measures as should insure the resumption and continuance of cash payments, without producing, in the interval, any considerable embarrassment or distress, superadded to that which is now felt?—I believe, that very little additional distress would be felt, beyond what is now in progress, and probably is irremediable, except by again deranging the circulation, by an issue to that amount from which the reduction has taken place.

'When you state it to be your opinion, that a very small reduction in the present amount of bank notes in circulation, would have the effect of restoring the exchanges in favour of this country, and reducing the price of gold, do you take into your consideration the effect of country bank note circulation?—I do; and it is that circumstance upon which I principally lay stress, in assuming that a very small reduction of bank of England notes below their present amount, would be sufficient for that purpose. The value of money depends very much upon the state of confidence, and a consequent rapidity or slowness of circulation. The present is one of declining markets, arising from the causes already alluded to, and therefore of diminished confidence. A certain sum of money, in that state, is of increased value, larger portions being detained by bankers and other persons, with a view to providing for emergencies.

'Might not that increase in the value of money have the effect of increasing the amount of the issues of the country banks?—I conceive, the very reverse. The circulation of country bank notes is essentially founded upon the credit of the issues, and of the parties to whom the issues are made. The country bankers themselves may participate, and generally do participate, more or less, in the general discredit: they accordingly are obliged to limit their issues, partly from a regard to their own credit, but in a much greater degree from the discredit of the customers, to whom they are in the habit of advancing money, most of those customers being holders of articles which are liable to be affected by the general depression in price.

'In the instance of a country bank, in which there was the greatest confidence reposed by the public, and which had not been in the habit of issuing to the full extent of capital which it possessed, or could command, would not the increase in the value of money, supposed in a former question, operate as an inducement to that country bank to extend its issues?—I do not see how it should have that effect. The value of money, I rather apprehend, is used in this question in a different sense from that in which I have applied it. The increase in the value of money, to which I have referred, consists in a general reduction of the prices of commodities, and that general reduction in the prices of commodities would necessarily affect the credit of the parties, who would apply for loans from the country bankers.

'You assume then, that the amount of country bank paper would vary with the amount of bank of England paper, or at least that any diminution of the present amount

Thomas Toole,
Esq.
(a Member.)

amount of bank of England paper would produce a corresponding diminution of country bank paper?—In a very considerable proportion.

Within what period may it be expected to operate?—I should think within the next six months.

Do you think the undue speculation and enterprise which were entered into at the period to which you refer, were in any degree attributable to an unnecessary amount of currency circulating in the country at that time from the facility possessed of embarking in such speculation?—Yes, in a very great degree.

Have you any criterion by which you can judge of the proportion between the amount of currency in circulation and the demand; and from what should you determine, that the amount of circulation, at any period, was excessive?—I never could conceive any intelligible criterion of what should be the amount of circulation, but that which would take place if the paper were strictly and invariably convertible into coin.

Supposing, at any period since the restriction, the market price of gold had been below the mint price, should you at that period infer, that the amount of the circulating medium was not excessive?—Whenever the market price of gold should be at or below the mint price of 3*l.* 17*s.* 10*d.* I conceive that the circulation of paper cannot be excessive. I must add, however, that this principle is applicable only to the appreciation by the public of the proper amount of paper; but the bank directors must have a further guide, and that is, the tendency of gold into or out of their coffers, combined with the tendency of the exchanges upwards or downwards.

For a considerable period of the latter end of the year 1816, and the commencement of the year 1817, the market price of gold did not exceed the mint price; during that period, the amount of bank notes in circulation was greater than it is at present; should you infer that, in the former case, the amount of bank notes in circulation was not greater than the demands of commerce required; but that, in the latter, as the market price does exceed the mint price, it is greater?—I conceive that the amount of paper in circulation in the course of 1816, but particularly in the summer of 1816, and early part of the autumn, was deficient; and I found that opinion, in some degree, upon the circumstance, that although the price of gold was never nominally below 3*l.* 18*s.* yet the general impression was, that it was in the power of the bank to have reduced the price of gold to the mint price, or even below 3*l.* 17*s.* 6*d.* but for the desirableness at that time of accumulating an unusually large proportion of gold for the purpose of preparing more fully for the resumption of cash payments. The price of silver, as compared with gold at that time in the markets of the world, was very little if at all below our mint proportions, except in as far as it was a little disturbed by the unusual absorption of gold by the bank; but in the market here it was under 5*s.* for standard silver, which in the mint proportion would bring gold below 3*l.* 15*s.*; therefore, I conceive that if the bank had at that time been paying in specie, there would (other circumstances being the same) have been a larger amount of circulation, combining paper and coin; or, assuming that the restriction continued, but that the bank had not bought and accumulated the gold, and that the mint had then been open (by which I mean, that if the resort thither had not been intercepted by the bank paying higher than the mint price) there is no doubt, from the great influx of gold at that time, that considerable quantities of bullion would have been taken by individuals thither for conversion into coin; and the coin thus returned, would of course have enlarged the circulation.

At what period was it that that undue speculation and enterprise was entered into, from the effect of which we are now suffering?—As a preliminary observation, I conceive that at the close of the year 1816, when the state of the harvest was ascertained to be bad, there was, from the peculiar effect of the price of corn in increasing or diminishing the value of the currency, and in consequence of the stock of commodities generally having, by that time, been very much reduced in quantity, a tendency in almost all articles to advance. The public had acquired a confidence that goods had reached the minimum of peace prices; there was accordingly a disposition among the intermediate dealers to extend their stocks, and there are very few articles that can be named which were not, at the close of 1816 and the commencement of 1817, already looking up. This state of things tended to restore confidence to the circulation of the country banks generally, and to extend it as founded on a given amount of bank of England circulation; and these circumstances would have indicated the propriety

of a reduction of bank of England notes, rather than an increase of them. The increase of them, therefore, in the first six months of 1817, came forward, small as it was, with increased powers upon the whole circulation; but in July 1817, there was a further increase of between two and three millions, and it was this issue which, concurring with the previous natural tendency of goods to advance in price, and of the country circulation to resume its extent, operated with extraordinary, and as far as relates to any experience of mine, unexampled rapidity on prices of almost all commodities. The only object that any speculative merchant had, was to look at the price current, and to see what article had risen least, and he was almost certain of making a very beneficial speculation, by buying such article without probably any previous knowledge of it.

Times Table,
Ex.
(a March)

In answer to one question, you have stated that you attribute the excessive speculation, in some degree, to an excessive amount of circulating medium, and that the stimulus to the speculation existed in the latter part of the year 1816; in another answer you have inferred, from the market price of gold being lower than the mint price at that period, that there was not an excessive amount of circulation; how do you reconcile the answers to those questions?—The meaning of the first part of my foregoing answer has been misconceived, as stated in this question; I did not mean to state that there was any stimulus to speculation, by which I understand an artificial elevation of prices, at the close of 1816; I referred exclusively to causes operating towards a natural or sound, as opposed to a mere speculative advance.

Supposing for half a year together, the market price of gold was to be under the mint price, should you infer that, during that period, there had not been an excessive amount of bank notes in circulation?—I should not infer any excess in that case.

But you should conclude that, taking the market price of gold to remain for half a year under the mint price, there was no undue circulation of bank notes?—Certainly.

Then as the market price of gold was under the mint price for the half year ending on the 31st December 1816, why do you infer that the speculation, which commenced at that period, was in any degree attributable to an excessive amount of circulation?—I am here again misconceived; I did not mean to allude to any speculation as commencing in the last half year of 1816.

Do you mean, that if bank notes had been payable in coin during that period, there would actually have been a less amount of circulating medium composed of bank notes and coin than there was at that period, when bank notes alone constituted the whole amount of circulation?—I have already given reasons for inferring, that if bank notes had been payable in coin in 1816, there might have been a somewhat larger amount of circulating medium, composed of bank notes and coin, than then existed of bank notes alone; but I am strongly of opinion, that if bank notes had been payable in coin, there would have been a much smaller amount of circulating medium than was kept up in 1817, and particularly in the last six months of 1817.

May not the commercial overtrading be wholly attributable to that state of security to which you refer, and to a return from a state of war to peace; and not in any degree to an undue amount of the circulating medium?—I conceive, that by that time, viz. in 1817, the question of the 'return from war to peace,' had no concern whatever with the commercial events then going forward.

The average circulation of bank notes, in the year 1813, was about twenty-four millions; in 1817, it was twenty-eight millions; in 1813, gold varied from 4*l.* 17*s.* and upwards, to 5*l.* 10*s.*; in 1817, from 3*l.* 18*s.* 6*d.* to 4*l.* 0*s.* 6*d.*; how do you account for those respective variations?—The answer to this question, on general grounds, would be, that an amount of circulation, which, under particular circumstances, might be excessive, might, under others, prove deficient; and that as all the circumstances which may concur in determining the proper quantum, do not admit of being traced or accounted for, it is sufficient for practice or reasoning, to refer to the generally acknowledged, and only intelligible test, viz. the price of gold; and, according to that test, 24 millions of bank of England notes were excessive in 1813; whereas 28½ millions in 1816, were barely sufficient. It seems to me, however, on reflection, that there are some considerations, which may account more particularly for the former amount being excessive, in a very great degree, and the latter some-

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Thomas Toke,
Esq.
(8 March)

what deficient. The amount of bank of England notes in circulation, on the average of the last six months of 1808, was - - - - £ 17,303,512;
- - - - of 1809, - - - - £ 19,041,640;
- - - - of 1810, - - - - £ 24,188,605;

making the enormous addition of nearly seven millions, within two years. And it may here be worth remarking, that in March 1811, by which time the full effect of the increased issue at the close of 1810 might be felt, the price of gold rose to 4*l*. 13*s*. 6*d*; and the exchanges fell to 24 on Hamburgh, and to 17-16 on Paris, from 35*3* and 25-16, which they had been at in the summer of 1808. The amount remained, with little variation, at about 24 millions, rather under than over, till the close of 1813. The greater part of this period was attended with a great rapidity of circulation, or in other words, of briskness of markets, with some exceptions, indeed, arising from the obstructions to export, which affected the holder of colonial produce, and some classes of manufacturers. But those distresses, and partial stagnations, were more than counterbalanced by the ready markets, and high prices afforded for agricultural produce, in consequence of the harvests of 1809 to 1812 having yielded deficient or bare average crops, while the obstructions to importation were great, and the demand was by an increasing population. This state of things was peculiarly favourable to the extension of country bank paper; and accordingly, it is well known to have increased most rapidly during that period. It probably reached its maximum in the first six months of 1813; and the aggregate of bank of England and country paper must at that time have amounted to such an increase of the whole currency, as will, when combined with the consideration of the general rapidity of circulation in that period, fully account for the utmost depreciation indicated by the price of gold, which then reached 5*l*. 10*s*. The harvest of 1813 proved, as I believe, one of the most abundant ever known in this country; for not only the season was singularly propitious, and the produce per acre very great, but there was a largely-increased breadth of cultivation, in consequence of the previous high range of prices (which was partly natural, from scarcity, and partly artificial, from depreciation of the medium). The overflow of the produce of that season was not fully appreciated till a long time after. Accordingly, the fall in prices of agricultural produce began, though slowly, at the close, or rather sooner, of 1813, and continued with a few fluctuations, more or less rapidly, through 1814 and 15, which were both years of more than average produce. There were at this period, likewise, viz. in 1813 and 14, importations of corn to some extent. This great and long continued decline in the value of agricultural produce, from abundance, amounting to a glut, was calculated, of itself, to occasion a great stagnation, of the largest portion of the mass of commodities; but there was likewise, at the close of 1813, a very considerable accumulation of imported commodities, which, after a delusive rally, and a rancorous attempt at re-export, in the spring and summer of 1814, proved, partly from mere quantity, and partly from the change from war to peace, unsaleable, except at a destructive reduction of prices. There was, from those causes combined, a very great stagnation of markets, or, in other words, a very slow circulation of the existing currency, from the close of 1813 to the middle of 1816. But the mass of the currency was undergoing a progressive and enormous reduction, in numerical amount by the successive failures of the country banks, and the diminished issues of those that survived. The diminution in the amount of country bank paper, between or rather at the close of that period, I have heard computed at 20 millions; this is a computation, contained in a letter, which I received about a twelvemonth ago, which may probably be beyond the mark. But whatever may have been the precise amount of that reduction, there can be no doubt that it must have been greater than the increase of from two to three millions of bank of England notes, even including the previous excess, could compensate. And if to this reduction of aggregate amount of currency, be added the consideration of the slowness of circulation, the deficiency of the whole circulating medium in 1816 may be accounted for, notwithstanding the increase of bank of England notes, as compared with 1813; the same result is thus afforded, as by a reference to the state of the bullion market, and of the exchanges. I purposely omit 1817 for the present; between, according to my opinion, the issue in that year having again become excessive, though much less so than in 1813, the contrast would be so striking, and the view, consequently, be so clear, than by a comparison between 1813 and 1816. For the same purpose, of simplifying the view, I have omitted to notice the increase of bank of England notes in the last six months of 1814, to upwards of 28 millions.

Do not you then attribute great effect on the exchanges, to political causes?—Supposing an inconvertible paper currency, I do; but referring to the metallic circulations of the continent, and seeing the political revolutions undergone, and the prodigious exertions made by some of the continental powers, that had none but a metallic currency, which does not seem to have sustained any very great variation in exchangeable value with other metallic currencies, I am inclined to infer, that the only considerable fluctuations are attributable to paper.

Thomas Tooke,
Esq.
(9 March)

Do not political causes produce considerable fluctuations of exchange, between countries having a metallic circulation?—The fluctuations between countries having an open intercourse, must be limited, of course, to the means of conveyance of the metals between one and the other. In a state of war, a great deal must depend upon the political obstructions to that intercourse; and they admit of being measured equally by the amount of insurance, or other charges incidental to it, except for short intervals, before the transmission of the specie or bullion requisite to adjust the difference.

With reference to the Russian loan, contracted in the year 1818, was not considerable inducement held out by the terms of that loan, to the importation of silver into Russia?—I do not imagine, that the terms of the loan, of themselves, would have been sufficient, had they not been aided by the general opinion of an advancing exchange there; and by the tendency of British capital, independent of commercial causes, to investment in foreign loans generally; but I have very little doubt, that if our circulation had been convertible into, or limited by, a metallic standard, there would not have been any thing near the amount subscribed to that loan.

Do you know what amount of British capital was subscribed to the Russian loan?—I have no exact return of the proportion of contributions.

Can you form any conjecture upon the subject?—Not with sufficient accuracy.

Do you know the highest value that was given for any part of the gold sent in Russia in the year 1818?—I do not: very little gold, I believe, was sent from this country. I did not hear at what price the gold was bought for that purpose.

Do you conceive, that an abundance of bank and other paper currency is essential towards maintaining and promoting the industry and manufactures of the country?—Observing, as I have before done, that the only criterion which I can conceive of what is the proper measure of the paper circulation, is that quantity which would circulate, if it were convertible into coin. I am of opinion, that any amount beyond that produces an artificial excitement, which is invariably counterbalanced by a subsequent exhaustion or depression: it may be compared to the excitement produced by ardent spirits upon the human body; a depression follows, unless the habit is kept up by continued increasing stimulus, which ends in a destruction of the system.

Have the goodness to state your opinion of the effect of the abundance of paper upon the rate of interest?—An increasing issue of paper has a tendency to reduce the rate of interest: and the fall of interest is rapid and great, or otherwise, according to the degree of mode and amount of the increase, in proportion to what previously existed. But when the circulation is fully saturated with that extra amount of paper, so that prices have reached their utmost relative level, the rate of interest must subside to what it would have been without such extra issue; and I have known instances, in the case of Russia, where the circulation consisted till lately wholly of paper, that there has been, occasionally, what is called technically a scarcity of money, so great, that though the legal rate of interest is a half per cent per month, it has occurred that one and two per cent per month has been given for short periods.

Have you observed, within your own experience, in the city of London, what is called an abundance, and sometimes a scarcity of money, without any corresponding increase or diminution, at the same periods, in the amount of the bank of England paper?—There are occasionally very considerable variations in that respect, under similar issues of bank paper: these variations may be referred to the alterations of rapidity or stagnation in the circulation of commodities and money; and the rapidity or slowness of the circulation of a given amount, is equivalent to its appearing abundant in one case, and deficient in the other. This remark applies to the currency generally; but in the case of the bank issues, there may be, from distinct causes, an increase or diminution of country bank notes, without a corresponding change in the amount of bank of England paper; and this will likewise account for a given amount of the latter appearing abundant or scarce.

Then

Tanner Testes,
Esq.
{ to Napier

Then, in point of fact, you have experienced variations in the money-market, without any corresponding variations in the amount of bank notes in circulation?—*Very considerably*; and in continuation of my former answer, I have to observe, that in times of what is called confidence, the modifications of credit come in aid *very much* of any given amount of currency. Goods change hands nicely upon notes, or other means of credit, and therefore the currency has fewer functions to perform, and is less detained in the hands of the different classes who have to part with it.

Do you believe, that gold has become dearer on the continent, within the last six or ten years?—I have no idea of gold being dearer, either here or on the continent, than it has been for some time past, relatively to any general description of commodities: it is only dearer as compared with bank paper. Gold will not buy more silver, more lead, or more copper, than it did a few years ago. I confine my answer to the last three or four years. Taking the great masses of commodities, which include the means of lodging, fuel, food, and clothing, I am not aware that gold will purchase more of any of those, than it would have done three or four years ago.

Be good enough to explain to the Committee, if it should be found necessary to make any further reduction in the amount of bank of England paper in circulation, in what mode, in your opinion, could that reduction be most conveniently made?—I think that it would be effected, with least disturbance, by a speedy repayment of some part of the amount which is supposed to be advanced to government.

In preference to any reduction made to that amount, which is usually advanced to merchants in the discount of bills?—*Yes*.

Be good enough to explain to the Committee, in what way you consider the price of grain diminishes or increases the value of currency?—A deficient harvest, inasmuch as it raises the price of grain, and affords a ready market; for every person having it to sell, increases the rapidity of circulation of whatever was the amount of the currency; and as the value of the currency depends very much upon the rapidity of its circulation, it has an effect, as long as that scarcity of corn operates in raising the general prices of other commodities, as well as of corn. Every farmer, in such a case, gets into good credit, as having a rising and a beneficial market constantly presented for his produce: his credit with his banker is naturally increased, so that the farmer may easily obtain additional advances. Thus there is not only an increase of the rapidity of circulation, but an increase of the amount of paper, added to the circulation; therefore it operates in a double way, in raising the prices generally, as well as of corn. On the other hand, a glut of corn occasions a want of ready markets, successively declining prices, the discredit of the farmer, his inability, not only to borrow fresh sums, but a frequent call upon him to refund the sums that have previously been advanced to him; a general inclination on the part of the holders of money to detain it, with a view to cheaper prices; each of those diminishing the rapidity of the circulation, and there being at the same time a reduction, as stated, of country bank paper, prices of commodities, generally, must participate with those of corn, in a considerable depression.

Will not the accumulation of imported commodities, the present stagnation of trade, and the fall of prices, have a tendency to improve the foreign exchanges, although the amount of bank paper should remain undiminished?—These are the considerations which I have included in my view of the probability that very little reduction, below the present amount of the circulation, will be sufficient to recover the exchanges, and to reduce the price of gold.

Would not the pressure, arising from the preparations of the bank to resume cash payments, be materially alleviated, if those preparations were contemporaneous with the improvement of the exchanges, arising from the causes adverted to in your last answer?—In proportion as the exchanges were already advancing, would be the facility with which any such preparations would be made.

Are there any other causes, in your opinion, of the present embarrassment and scarcity of money, besides the accumulation of goods, and the want of confidence, arising from falling prices in the markets?—I do not believe there are any.

Jouis, 4^e die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

DAVID RICARDO, ESQUIRE;

A Member of the House; was Examined.

DO you conceive that the paper currency of this country is now excessive, and depreciated in comparison with gold, and that the high price of bullion and low rate of exchange, are the consequences, as well as the sign, of that depreciation?—Yes, I do.

David Ricardo,
Esq.

(4 March.)

The following is an extract from a publication of your's: "Why will not the bank try the experiment, by a reduction in the amount of their notes of two or three millions for the short period of three months? if no effects were produced on the price of bullion and the foreign exchanges, then might their friends boast, that the principles of the bullion committee were the wild dreams of speculative theorists;" do you still adhere to the opinion expressed in that extract?—Yes, I do.

From July to December 1817, the average amount of bank of England notes in circulation, appears to have been £.29,310,000; from July to December 1818, the amount appears to have been £.26,487,000; in the latter period, the price of gold was higher than in the former, and the exchanges were more unfavourable to this country, so that the reduction in the issues, though carried to the extent of £.3,000,000, produced no effect upon the exchange and on the price of gold; how do you reconcile these facts with the theory?—When I gave the opinion that has been stated, it was on the supposition, that no commercial causes were at that time to operate on the price of bullion or on the exchange, being firmly convinced, that a reduction in the amount of notes, under those circumstances, would raise their value to any point which might be desired; I am fully aware that there are other causes, besides the quantity of bank notes, which operate upon the exchanges; but I am quite sure, that from whatever cause a bad exchange arises, it may be corrected by a reduction in the amount of the currency.

Then ought there not to have been an addition to the statement above referred to of words to the following effect; provided other causes do not counteract the effect of the reduction?—Clearly; I was speaking with respect to a given time; I did not mean to assert, that at all times and under all circumstances a reduction of bank notes would improve the exchange.

What are the causes to which you refer?—Those causes, I conceive, are various; there may be a great increase in the capital of a country, which may so increase the quantity of commodities to be circulated, that there may be required more circulating medium at one time than at another; there may be a great diminution in the value of gold and silver, generally, in Europe, which may make it possible, with the same commerce, to maintain an increased amount of circulation; I consider, in all cases, that the quantity of circulation must depend upon its value, and the quantity of business which it has to perform.

Then do you consider the high price of gold to be a certain sign of the depreciation of bank notes?—I consider it to be a certain sign of the depreciation of bank notes, because I consider the standard of the currency to be bullion, and whether that bullion be more or less valuable, the paper ought to conform to that value, and would, under the system that we pursued previously to 1797: there is an instance of the truth, I think, of the opinion which I am maintaining, in the year 1782, when, by a return made by the bank, it appears that there was a reduction of, I believe, three millions of bank notes in the space of a few months; that reduction was probably also accompanied by a reduction in the metallic part of our currency, there being then no notes under ten pounds in circulation, but of that we can have no knowledge; this proves to me, that in order to make the value of the paper conform to the value of bullion, the bank were under the necessity of reducing the amount of their currency.

The price of gold being lower when the amount of bank of England notes in circulation was twenty-nine millions than when it was twenty-six millions, and you considering the price of gold to be the criterion of the depreciation of bank notes, to what other causes do you attribute the rise in the price of gold when there had been a diminution to the extent of three millions in the amount of bank notes?—It seems to me, that when we compare two commodities together, gold and paper for example, it is impossible to say, when they are varying, whether the one is falling or the other

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is rising. If gold was rising in the general market of the world at the time stated, it is evident that it might exceed more than before the value of paper currency, although the latter was reduced in quantity and increased in value; they would both rise, but gold would rise most. By the operation of country banks, the whole currency might have been increased, although that part of it issued by the bank of England was diminished. Confidence and credit may have prevailed to a high degree, which are substitutes for currency. I am of opinion, that we have never sufficiently attended to the variations that may take place in the value of the metal itself, by which we estimate the value of our currency; there are a number of commercial causes, as I have already said, which I think affect the value of gold, and when I say the value, I do not mean the value as compared with paper, but the value as compared with commodities generally. I think every tax has some influence upon the value of the precious metals, and either occasions their exportation or importation. I think that every improvement in machinery has a tendency to produce similar effects; but as I have before observed, from whatever cause it may arise that paper exceeds the value of bullion, whether from the increase of paper, from the rise in the value of gold, or from any other cause whatever, it can always be corrected by a reduction in the amount of the paper circulation, and such was the uniform practice before the year 1797.

Do you think that a reduction of bank of England paper will certainly produce a fall in the price of gold?—I do; I should rather say, a reduction in the amount of the whole circulation of the country; but here again it is possible that there might be a reduction of the bank circulation without a corresponding reduction in the country circulation, and it might even be possible that there might be an increase of such country circulation, not that I expect that any such result would follow, for I consider that the reduction of the bank of England circulation would be immediately followed by a reduction of country circulation; but it is not physically impossible.

Do you think that the amount of country bank circulation will vary with the amount of bank of England circulation?—In all common cases I think it will; but I believe that there are exceptions to that general rule, arising from the more or less credit of the country banks; there is of course always a contention between the country banks and the bank of England, to fill as many districts as they can with their respective notes. The bank of England or the country banks may be more successful at one period than at another, but provided every thing were to remain the same in that respect, I have no doubt that a reduction of the London circulation would occasion a reduction of the country circulation. I should observe also, that with respect to the public, it is a matter of very little importance whether the whole reduction should be in the bank of England issues, or should be partly of the bank of England issues and partly of the country bank issues: it is a question of importance, as it refers to the interest of the country banks and the bank of England, but the public have no interest in it whatever: the inconvenience which they would suffer, if any, would arise from the reduction of the whole amount of the circulating medium, it being of little importance from which fund that reduction was made.

The bank of England circulation has fallen, from the last half year of 1817, as compared with the present time, from £39,210,000 to about £25,000,000; that is, there has been a reduction between that half year and the present time, to the amount of £14,000,000; as the diminution has been gradual, and has operated for 15 months, ought it not to have produced its effect on country bank circulation?—I think it ought in common cases, and must have done so in the present case, if no counteracting causes have particularly operated; of which I know nothing, nor can know nothing.

As then there has been an actual diminution of bank of England paper, to the amount of four millions within that period, and there ought to have been a corresponding reduction in the amount of country bank paper, does it not strike you as somewhat inconsistent with the theory, that the price of gold is at present higher than it was at the period when the circulation of the bank of England was four millions greater than it is now?—It does not in the least shake my confidence in the theory, being fully persuaded that such an effect must have followed, if it had not been counteracted by some of those causes to which I have already adverted.

What are the causes which have, in your opinion, practically operated to counteract the effect of this reduction of the circulating medium?—The facts are not sufficiently within my knowledge, to give any plausible explanation of them; but I am persuaded that there are other causes, besides the mere amount of paper, which will so operate, and I therefore infer, that some of them have now been acting.

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Then supposing the bank to make a further reduction, beyond the present amount of their issues, might not the operation of the same causes prevent the good effects to be expected from that reduction?—It is quite possible, but I do not think it probable.

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Have the goodness to state why you think it probable, that the same causes that must have operated to produce that effect in the former case, should not continue to produce it in the case assumed?—Because, in commerce, it appears to me that a cause may operate for a certain time without our being warranted to expect that it should continue to operate for a much greater length of time; and being fully persuaded that a reduction in the quantity of such a commodity as money must either raise its value, or prevent its falling in value, I am sure that a reduction of the quantity of currency, provided it be sufficient in degree, will operate in raising its value, whatever countervailing causes may contribute to oppose it.

Do you think there is any perfect assurance that if the bank of England were to reduce its issues to the extent of two or three millions below their present amount, the consequence would be a fall in the price of gold, and the restoration of the exchange, or might not the other causes which affect the price of gold and the rate of exchange possibly countervail the effect of the reduction of the issues?—Certainly, they might countervail the effect of the reduction of the issues, but provided they were sufficient in degree the reduction would be sure to bring the two together; there are two commodities which we are comparing with each other, namely, bank notes, and gold; the variation in the relative value of these two commodities may be caused by an increase in the quantity of paper, or by a fall in the value of gold; in the former state of our circulation, whenever it proceeded from either of those causes, a reduction in the amount of paper was the remedy, and must at all times I think be the remedy.

Take then a considerable period, when the amount of bank notes in circulation was very nearly the same; it was so for three half years, from July 1815 to Decem. or 1816, namely, about twenty-six millions and a half; at the beginning of that period the price of gold was 4*l*. 16*s*. 8*d*. an ounce, it fell to 4*l*. 11*s*. 4*d*. 9*s*. 4*d*. 7*s*. 4*d*. 3*s*. 4*d*. 2*s*. 4*d*. 1*s*. 4*d*. 0*s*. 3*d*. 19*s*. and 3*l*. 18*s*. 6*d*.; there was no interruption in the regular gradation of the fall of gold, and there was no variation in the average amount of bank notes in circulation, do you attribute the fall in the price of gold to an alteration that took place in the value of gold?—Most undoubtedly; and by returns that have been made at different times to Parliament, we observe the relative value of gold and silver to differ very materially at different times; now to what cause can this possibly be attributed, but to an alteration in the real value of one of them? in which ever metal that alteration of value takes place, provided it be the standard, it will either warrant an increase or a diminution of paper.

Do you know what have been the greatest limits of the variation in the relative value of gold and silver; within a given period, supposing three years, have they ever varied one per cent within that period?—I should say six or seven, speaking from the slight recollection I have at this moment on the subject; I only mention these circumstances to shew the Committee that it is quite possible that there may be variations in the value of the precious metals, which would produce such effects, as it appears the object of the present examination to explain.

But supposing there has been, during the same period, a corresponding fall in the price of silver, then, evidently, that cause which you assign as possible to account for a fall in the price of gold has not operated?—I should then say, that whatever cause had operated, had equally operated on the two metals, instead of operating on one exclusively.

Do you not conceive, that the most perfect state to which a currency can be brought is, that by which the public are secured against any variations in the value of the currency other than those to which the standard is subject, and in which the circulation is carried on by the least expensive means?—Certainly.

Have you turned your attention to any plan by which these desirable objects may be best attained?—Yes, I have.

Have the goodness to favour the Committee with your opinions upon that subject?—My opinion is, that the bank of England should have the liberty of either paying their notes in specie or in bullion at the mint price of 3*l*. 17*s*. 10*d*.; by which means the paper currency could never fall below the value at which the coin stood previously to 1797.

What quantity of gold ought a person to be at liberty to demand, in exchange for paper?

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paper?—That appears to be a regulation which should be left to the bank to decide on; it is, comparatively, of very little importance.

Would it not be necessary to have a regulation of law?—Undoubtedly there should be a regulation of law; but whether the quantity should be 20 ounces, or 50 or 100, I have scarcely any motive for making a choice; the object would be equally effected by taking either quantity.

Do you think it would be public to impose, at the same time, upon the bank, the necessity of issuing paper in exchange for gold tendered to them?—That is a measure not absolutely necessary; but I think it would be a great improvement to the system, if that regulation were adopted.

The object of it would be, to prevent a rise in the value of the bank note above the price of gold?—Exactly so; which the bank can now effect.

Might not the object be answered by giving every person an option to go to the mint, and receive coin in exchange for the bullion?—Which would do just as well, if you could readily turn bullion into coin or into paper, the object would be equally effected.

Would you advise, that notes below 5*l.* should be continued in circulation?—Under those circumstances there necessarily must be notes of 1*l.* and 2*l.*

Would you advise bank notes to be made a legal tender?—I would certainly.

Would you leave to the country bankers the power of issuing notes payable on demand, in bank of England notes?—I would.

And not subject them to the necessity of paying in coin?—Certainly not.

Would you repeal the laws respecting the exportation of coin?—Undoubtedly.

And leave the trade in bullion and coin perfectly free?—Perfectly free; and also a perfect liberty to any man to melt the coin if he thought proper.

What regulation would you advise to be adopted with respect to foreign coins?—When I say that the public should have the privilege of buying and selling bullion to the bank, I have in my mind bullion of the standard of England; but if allowance be made for the alloy in the foreign coins, according as they may be more or less fine than the standard of England, it appears to me of small importance whether these dealings be in those coins or in bullion.

Would not that be an additional convenience?—I think it would.

Could you assign any period of time, at the expiration of which this plan, in your opinion, could be safely resorted to?—I think it ought to be immediately resorted to, either at the price of 3*l.* 17*s.* 10*d.* or at some other price; because I consider that our currency is in a very unsatisfactory state, while the bank have the power of increasing or diminishing the circulation, and altering its value at their pleasure; and therefore, whatever regulation might be resolved on, with respect to the time of paying in the standard of the country, I should certainly recommend the adoption of this plan at some other price in the interval.

That is, that the bank should be under an obligation of paying their notes on demand in gold, at the present market price of gold for instance, and of making a gradual reduction in the price of gold which they should issue, until the market price of gold corresponded with the mint price?—Precisely so; but under those circumstances the price at which the bank should be obliged to buy gold I think should not be fixed above that price, at which it should be a permanent regulation.

Would you propose that price to be something below the mint price?—Exactly so; in what degree below I have scarcely the means of judging; the bank would be better able to fix that price than I should; it should be very little below.

Would you propose, that the price at which the bank should be compelled to purchase gold, should be the same or something lower than that at which in succession they issue it, according to the operations that would take place in a graduated scale?—I have already mentioned, that I should rather recommend that the price at which they should buy gold, should be under the present mint price, which is 3*l.* 17*s.* 10*d.* and fixed now once for all.

Would not the bank in that case have it in their power to make a sudden change in the value of the circulation, by a more sudden reduction in the amount of their notes than might be desirable?—Within those limits they might; but after intrusting the bank with the great powers which they have had for two-and-twenty years, I should not be very fastidious in intrusting them with this small power at the present moment.

But if that was objectionable, might it not be counteracted by providing that they

they shall purchase at, or nearly at, the same price at which they issued gold?—Certainly not at the same price, but at a price under that.

If the bank, after the resumption of cash payments, continued to issue one and two pound notes, would not their issue tend greatly to diminish the quantity of gold which would be necessary for the purposes of circulation, when compared with that quantity which was necessary previous to the restriction?—Certainly; if the public liked a paper currency, consisting of one and two pound notes, better than one consisting of the gold coins, then this regulation would be nugatory; but if they did not, it would secure a power to the bank of filling that part of our circulation with one and two pound notes, and thereby preventing the public from demanding coin as substitutes for those notes.

Do you think there would be any difficulty whatever in procuring such a supply of gold as, under the circumstances you have supposed, would be adequate for the supply of this country?—According to the view which I take of this question, I think there would be no provision of gold necessary beyond that which the bank must now have, however small it may be.

That is, supposing they immediately commence the payment in gold, at about the present market price?—Or at any price; having a firm opinion that the bank, by the reduction in the amount of their notes, can raise their value to any assignable limit, it does appear to me that they can always keep the value of their paper on a par with the value of bullion, at whatever price the Committee might choose to fix it.

Would it not be necessary, nevertheless, that they should have at all times a considerable supply of gold to meet the demands upon them, although the market and mint price of gold should correspond?—That would certainly be desirable, but the bank would be regulated by the same rules by which they were guided at the time they were paying in a metallic currency. I do not think it would be prudent on the part of the bank not to have a provision of bullion, because there are intervals during which the paper may not immediately attain that value which it finally will attain in consequence of its reduction, and during that interval they would be subject to demands for bullion.

Does not that assume that the reduction of the issues of the bank of England, would necessarily and immediately lead to a reduction of country bank paper?—Undoubtedly; I have already explained to the Committee that it appears to me that there might be a greater reduction of the bank of England paper in some cases, and a less reduction of country bank paper; but it is a mere question of degree; the bank might, under some circumstances, be obliged to make a greater reduction of their paper, in order to keep the value of paper currency generally on a par with the value of bullion.

Might not the circumstances of the country be such as to make a reduction of issues at some particular period, in order to have the effect of reducing the price of gold exceedingly embarrassing to trade?—It undoubtedly might be; that is an evil to which all currencies are subject; every country that carries on its circulation by means of the metals is liable to that inconvenience, and it would be no other to which the public would be exposed if the plan suggested were adopted.

Are you aware that there is at present a considerable stagnation in trade, and that there has been a great reduction of prices in consequence?—I have heard so; but I am not engaged in trade, and it does not come much within my own knowledge.

Would not the effect of a reduction of the issues of the bank be a further reduction in the prices of commodities?—I should certainly expect so, because I consider a reduction in the amount of bank paper to be raising the value of the medium in which the prices of those commodities are estimated.

Explain in what degree you think it would take place?—I should think, to the amount of about five or six per cent; I measure it by the extent of the excess of the market above the mint price of gold.

Do you think a diminution of the circulation produces a diminution of prices in exact arithmetical proportion?—I think it has a tendency so to do, but it does not act exactly so nicely as that.

Does it reduce the prices of all commodities equally?—I think not, in consequence of the inequality of taxation, otherwise I think it would.

Might not the reduction of prices to the amount of five per cent, consequent on a reduction of the issues of the bank, be particularly embarrassing, if it took place at a period when there appears to have been so great a reduction of prices in consequence of other causes; namely, the excess of speculation, and the stagnation resulting from that?—An alteration in value of five per cent does not appear to me

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very formidable; but of this matter I do not profess to know much; I have had very little practical knowledge upon these subjects.

When merchants have a want of confidence in each other, which disinclines them to deal on credit, is there not a greater demand for money?—Undoubtedly.

Then if this is a period when there is a greater demand for money on account of a want of confidence, does it not follow that it would be an inconvenient period for reducing the means of accommodation?—It appears to me that that very circumstance would make a smaller reduction efficacious for the purpose; a demand for currency as consequence of want of confidence, I should think a legitimate demand; it would enable the bank to keep their circulation at a higher level than they would be able to do, if there had not been a demand from such a cause.

Supposing such a reduction of the issues of the bank to take place as would restore the market price of gold to the mint price, there would be, in your opinion, an improvement in the value of the currency of about five per cent?—Exactly so.

Would it not be necessary to raise the same nominal amount of taxes to defray all that portion of the public expenditure which is applied to the payment of the public creditor?—Undoubtedly.

Would not the increased burthen of such taxes upon the people be in proportion to the increase in the nominal value of the money?—Certainly.

You are aware that by the act, providing for a new silver coinage, the act of 56 George 3, cap. 63, there has been an alteration in the relative value of gold to silver, from 15,055 2. 1. to 14,121, making a difference of nearly six per cent in the relative intrinsic value of our gold and silver coin; do you think this difference so made, will have the effect of banishing gold coin from this country, provided silver coin be a legal tender to the amount only of 40s. and provided the mint retains the power in their hands of regulating the amount of silver coin?—It appears to me quite impossible, at whatever relative value these two metals might be, while guarded by the regulations which have been mentioned.

Are you of opinion that it would be desirable to keep the intrinsic value of our gold coin as near the intrinsic value of bullion as possible?—My first preference is to have nothing but a paper circulation, and the expedient I have proposed had that for its object; but provided we have a metallic circulation, then I conceive nothing can be more desirable than to keep the value of the coin at as near as possible to the value of bullion.

The price of gold in April 1815 was 5*l.* 7*s.* an ounce, and in April in the following year it was 4*l.* 1*s.* 8*d.* an ounce, making a difference of 1*l.* 6*s.*; supposing the average price of other commodities in the country, as measured in bank notes, to have been the same at those two periods, would you then infer, from that state of things, that bank notes were depreciated in April 1816, as compared with April 1815, in the proportion of the difference between the prices of gold, namely, 1*l.* 6*s.*?—Yes, I should.

Though the price of all other articles remained the same as measured by bank notes?—Though the price of all other articles remained the same.

You have stated, that a currency, of which gold is the standard, is subject to considerable variations, which arise in the variable value of gold in exchange as compared with other commodities; can a standard of currency, more invariable in its value than the value of a certain quantity of gold, be established by any system yet discovered?—By none that I have ever even imagined.

Would it be possible, by fixing from time to time the amount of bank notes which should circulate, to obtain a circulation any thing approaching in steadiness of value, to one which was attached to the value of a metallic standard?—I do not know any means whatever by which we can certainly ascertain the value of any one commodity; but in practice bullion appears to approach the nearest to an invariable standard.

Are not the Committee then to conclude it to be your opinion, that the standard value of the currency, since it has ceased to be exchangeable for specie on demand, has been infinitely more variable than it would have been if it had remained on the same footing on which it stood previously to the year 1797?—Yes; my opinion is, that it has undergone more variations than it would have done if it had been regulated by a metallic standard.

As compared with gold?—As compared with either gold or silver; I have no preference for either.

You have stated it to be your opinion, that the reason why a reduction in the amount of bank notes to the amount of three millions had not been accompanied by

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a corresponding fall in the price of gold and a rise in the exchange, must have proceeded from other natural counteracting causes; you also stated that you believe, for the most part, a reduction in bank of England paper would produce a corresponding reduction in country bank paper; if country bank paper had been withdrawn, in consequence of such a panic as you describe, in the years 1816 and 1817, and if some of those districts in which country bank paper had before circulated in consequence of that operation, had been filled in a greater or a less degree by bank of England paper, is it not probable that a re-issue of country bank paper might, in consequence of restored confidence in the country, have driven that bank of England paper back into London circulation, and by that means materially counteracted the effect of the decrease in the bank of England issues, both in reducing the prices of gold and raising the exchanges, and also in limiting the amount of country bank paper circulation?—I think, undoubtedly, it would; the more contracted the circle is in which the bank of England notes circulate, the more effect must an increase or reduction of their quantity occasion. I wish also to remark, that in some of the accounts of the amount of bank notes in circulation at certain periods which I have seen, the one and two pound notes vary, very remarkably, relatively to the notes of a higher value, which may be occasioned (not that I know that it is) by the increased or diminished credit of the country banks. It appears, in 1815, that the amount of notes above five pounds was about thirteen millions, while those under five pounds were above nine millions; in January 1818, the amount of notes above five pounds is above sixteen millions, and those under five pounds about seven millions and a half, and from some of the accounts which have been laid before the House of Commons, the same sort of inequality appears to affect the notes of the amount of two and twenty pounds, which may be supposed to be that description of notes which, as well as those of five pounds and under, are used chiefly in the country circulation, upon occasions of the discredit of the country banks. I have not examined these relative proportions, with a view to explain the difficulty that the question has now started, but I remark it as a circumstance which I do not know well how to explain; but it may be connected with the situation of the country banks.

Do you believe that the issue of bank notes from the bank, upon the purchase of bullion, may be carried on to a greater extent with more security, and without producing the same effect upon the circulation, as to excess or diminution, than when issued by any other of their ordinary modes?—It appears to me to make no sort of difference, whether the issues be made in the way of discounts, by advances to government, or in the purchase of bullion; it is the numerical amount which will produce the effect.

Do you conceive that a standard of value would be more variable if measured by a reference to two metals, namely gold and silver, as was formerly the case in this country, and is now the case in some other countries, than if confined to one metal only?—Yes, I think it would be more variable if measured by two metals.

If then one metal is preferable as affording a less variable measure, which metal would you recommend?—I find some difficulty in answering that question; there were reasons which at one time induced me to think that silver would have been the better metal for a standard measure of value, principally on account of its being chiefly used in the currencies of other countries; but as I have understood that machinery is particularly applicable to the silver mines, and may therefore very much conduce to so increased quantity of that metal and an alteration of its value, whilst the same cause is not likely to operate upon the value of gold, I have come to the conclusion, that gold is the better metal by which to regulate the value of our currency.

Although the currency of other countries may be usually measured in silver?—I think that fact is of no importance whatever in practice; it is of no inconvenience to trade, I imagine.

Does not the circumstance of the measure of value in one country being in gold, and in another with which it trades being in silver, occasion a frequent fluctuation of the real par of exchange?—Not only in the real par, but in the market rate of exchange also.

It appears, by the accounts already referred to, that the price of gold in this country in April 1815 was £.5. 7s. and in April 1816 £.4. 1s. being a difference of from 25 to 30 per cent, such price being always measured in our paper currency, do you know whether, during the same period, any such variation, or any variation in the price of gold took place in France, or in any other continental country?—It appears to me that in France there can be no variation in the price of the metal

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which is the standard of the currency; and with respect to the variations in the other metal which is not the standard of the currency, it must at all times be confined to the variations which take place in the relative value of the two metals generally in Europe.

If then it should appear that, during the period referred to, no variation whatever has taken place in the price of gold in Paris, would you infer from that circumstance that the variation in the price of gold between April 1815 and April 1816 arose from the variation in the value of paper, and not of gold?—Every fall in the price of the standard metal is immediately corrected in France by a reduction in the amount of the circulation; if no similar reduction takes place under the same circumstances in our circulation, there must necessarily be a redundancy and an excess of the market above the mint price of gold; in a sound state of the currency the value of gold may vary, but its price cannot.

The variation you alluded to in your answer to a former question, is what you meant by the depreciation of the paper in your answer to a question before put to you?—From whatever cause may arise the difference in the value between paper and gold (and I have enumerated several,) I always call the paper depreciated when the market price exceeds the mint price of gold, because I conceive that there is then a greater quantity of circulating medium than what there would have been if we were obliged to make our paper currency conform to the value of coin, and which we are obliged to do, whenever the bank pay in specie.

Do you consider the difference between the market and mint price of gold to be the criterion of the depreciation of bank notes?—Strictly so.

Then taking the three months of the last year, January, February and March, the average amount of bank-notes in circulation was thirty millions, twenty-nine millions, and twenty-eight millions; in the three last months of the year, October, November and December, the amount was twenty-six millions, twenty-six millions, and twenty-five millions; so that the average amount in December was less than the average amount of January by five millions; in the last three months the price of gold was higher than in the first three months; do you consider that bank notes were more depreciated at the latter period than the former?—I consider they were more depreciated in the latter period than in the former, provided at that time the price of gold was higher.

Do you not consider that coin or bullion are distinguishable from bank notes in this important respect, that the coin or bullion, being the medium of universal value, operates in the nature of a bill of exchange, whereas the bank note does not possess this quality; must not, therefore, the value of the coin and bullion follow the rate of the exchange, whilst the bank note cannot be influenced by such operation?—Certainly; a bank note not payable in specie is confined to our circulation, and cannot make a foreign payment; a bank note payable in specie is the same thing as coin or bullion.

May not this distinguishing quality between the bank note and the bullion, explain the difference of value, without its following, that the bank note is depreciated for any purpose of measuring the value of commodities within the country?—No, I think it cannot; the term "depreciation," I conceive, does not mean a mere diminution in value, but it means a diminished relative value, on a comparison with something which is a standard; and therefore I think it quite possible that a bank note may be depreciated, although it should rise in value, if it did not rise in value in a degree equal to the standard, by which only its depreciation is measured.

Are you of opinion, that the bank could have permanently continued their payments in specie, from the year 1797, when they discontinued so to do?—It appears to me, that all banks are subject to be affected by panics, against which no prudence can guard, and that in 1797 such a panic had taken place; but I have some doubts whether, if the bank had resolved to pay to their last guinea, that panic would not have subsided, and the bank have been able to carry on its transactions in the way that it had done up to that period.

Would you not have thought it a very dangerous experiment to try, as the failure of the attempt would have led to an absolute stoppage of payment?—It would have led only to the crisis which has actually taken place.

You have stated an opinion, that the construction of issues of paper would at all times restore the price of gold to the mint price, and render the exchange favourable to the country, supposing the balance of payments of the country to be against us, in what manner would you have them paid?—It appears to me, that

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a reduction in the amount of currency may always restore the price of bullion to the mint price, but I have not said, that that will always restore the exchange to par; although, if that reduction were carried still further, I believe it would restore the exchange to par; but under some circumstances, the price of bullion would be, in such cases, for a short time, under the mint price.

You have stated, that you consider a very small quantity of gold in circulation, or bullion, necessary for the bank to resume its operations?—That is on the supposition of an armistist taking place, by which the bank shall not be compelled to pay in specie, but to pay its notes on demand in bullion; I think, that in that case, a very small quantity of bullion would be necessary to enable the bank to carry on its operations.

Assuming that the balance of payments should be against this country, must the payment not necessarily be made, either in specie or in bullion?—It appears to me, that the balance of payments is frequently the effect of the situation of our currency, and not the cause.

You must be convinced, that between two trading countries, there must be a balance one way or the other?—These purchases and sales appear to me to be guided a great deal by the relative value of the currencies of the two countries; that any cause which shall operate to increase the value of one, would have an effect upon its commercial transactions with the other, and consequently the exchange would be affected by an increase or diminution in the value of the currency of either.

Would you infer then, that because at the present time cotton, coffee, and various other articles, are in this country particularly low, it would be either advantageous or desirable to send them to France or to the continent?—That must depend, I conceive, upon the fact, whether those articles are higher in France and other countries than they are here.

The fact being decidedly that they are lower in France?—Then of course it could not be advantageous to send them from this country to France.

Then is there any other way of paying, but by bullion or by specie?—By limiting the amount of paper, we should alter the value of cottons, and those other goods which are referred to, and we might in that case make our payment by the exportation of those goods, which at their present price it appears we cannot pay in.

Then do you think that it can be a prudent measure, that as circumstances may fluctuate, the trade of the country is to be so starved as to produce an operation upon the price of gold?—It appears to me, that a reduction in the price of gold can never be brought about but by a reduction in the quantity of currency, by an increased use and demand for it, or by a fall in the general exchangeable value of gold; and if it be brought about by a reduction of paper, it must always be attended by what is called starving the circulation.

Do not you think that the remedy might be often worse than the disease?—Undoubtedly there are cases in which I think the remedy would be worse than the disease; but this does not appear to me to be one of that sort.

Can you state any particular time at which you think it would be preferable that the bank should undertake to pay in coin or bullion at the mint price?—It is difficult for me to define strictly at what time, but I have not much apprehension of any ill consequences from their doing it in a few months; at the same time I acknowledge there will be some little difficulty in it, but a difficulty which does not appear to me very formidable, and one for which we would be more than compensated by the possession of a currency regulated by a known and fixed standard.

Do you think there is any inconvenience to the mercantile world and the public interest generally, resulting from the state of uncertainty and fluctuation in which things are now placed, and must probably remain, until the bank has resumed cash payments?—I think a very serious inconvenience results from the state of uncertainty: one of the evils attending a paper currency not convertible, is, that it encourages over-trading, and leads us into some of those difficulties into which we should not be plunged, if our paper were corrected by the issues of metals.

Do you think there is any thing in the present state of the commercial world, which makes it so little desirable that it should be operated upon by a fall in prices, to the amount of five per cent, which you think must accompany the measures to be taken for the resumption of cash payments, as to make it desirable that the inconveniences which you describe to accompany a continuance of that system, should be endured for a longer period than to the first of March 1820?—I am of opinion, that it should not continue longer than that period.

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(4 March.)

Did not over-trading take place very frequently before the restriction on cash payments at the bank?—I believe there is always a disposition to over-trading; that it was very much encouraged by the peculiar circumstances to which we were placed during the last war, from the modes in which we were obliged to carry on trade, and that those habits have in some degree continued with us, but that they are rather encouraged by a paper system than otherwise.

Do not you believe that over-trading was very much encouraged by the system of country banking, although their notes were convertible into cash on demand?—It appears to me, that the country banks can never add to the amount of the circulation permanently, and therefore I think they can hold out no encouragement to over-trading.

Do you mean, in case their notes are convertible into coin?—Yes; when they are not convertible, of course their level is higher, as well as the London circulation.

Was there not occasionally a temporary excess of country bank notes at the time they were payable in cash, which gave occasion to speculations and over-trading?—I conceive there are never any proofs of excess, but a high market above a mint price of bullion, and I never saw such an excess previously to 1797, nor never heard of such a thing; it is not imaginable by me.

Would you consider a great number of bankruptcies as any indication of over-trading?—A number of bankruptcies may be a proof of over-trading, but not a proof of a redundant circulation.

Even if those bankruptcies could be clearly traced to a connection with country banks?—Even if those bankruptcies could be clearly traced to a connection with country banks, I should only say, that the issuers of country paper were not the right sort of issuers.

Do you believe that the restriction on cash payments holds out a greater temptation and affords greater facilities for over-trading, than would exist, were the bank to pay in cash?—It appears so to me, because men rely more confidently on renewing the discounting of their bills.

You have stated, that the stagnation of trade, and a general decline of prices, would produce a similar effect, with a positive reduction in the amount of our circulation, would that effect be with reference to the foreign exchanges to bring them nearer to a par?—Certainly.

May not the result of that effect now operating, be to bring the market to the mint price of gold, without any interference of the legislature with respect to the amount of issues of the bank of England?—It is a circumstance that may very probably occur, but whether it will or not, I have no sufficient facts to judge by, although it is quite consistent with the view I take of the general question of currency.

Under a given continuance of that stagnation of trade, and of that depression of price, do you think it more probable that it will occur, than that it will not?—I find some difficulty in answering that question, I have no decided opinion upon that point; the effect may already have been produced, and therefore it may cease to operate any further; all these causes seem to me of a very uncertain nature, and they cannot be very easily traced or followed.

When there is a tendency to a general fall of prices, is not money locked up just as commodities are accumulated in the opposite state of things, and for the same reason, the expectation of profit by holding the article for a better market?—It appears to me, that no man would willingly lock up his money, he would endeavour to make it as productive as he could; he would not purchase commodities if he expected a fall of those commodities, but he would be glad to lend his money at interest during the interval that it was necessary for him to keep it.

The exchange having been favourable to this country, when the bank suspended its payments to 1797, is it not possible that by a more liberal and extensive accommodation to trade and country bankers, by discount, the bank might at that period have afforded such aid to the country circulation, as would have checked the alarm and relieved the distress?—I have great doubts on that question; it appears to me that it was an alarm from foreign causes, and a desire to hoard, and I have some doubts whether an extension of circulation would have quieted those fears.

Does not it often happen that a variety of opinions may be entertained as to the period when commodities have come to their lowest state of depression, and of course one person may be a seller and another a buyer, both on different views of the same object, namely, profit?—Certainly; but it is the balance of those opinions which either raises the commodity or lowers it.

Veneris, 5^o die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

GEORGE DORRIEN, ESQ. } CHARLES POLE ESQ.
SAMUEL THORNTON, ESQ. } JEREMIAH HARMAN, ESQ.

Called in; and Examined.

IS it the object of the bank to accommodate the issue of their notes to the amount of circulation required?—

George Dorrion,
Charles Pole,
Samuel Thornton,
J. Harman,
Esqs.

(1 March.)

Mr. Dorrion. I should conceive it was.

Mr. Pole. I should concur in that answer.

Mr. Harman. As far as we can do it with safety, consistently with existing circumstances.

Mr. Thornton. I concur in the answer given.

By what criterion does the bank measure the amount of circulation required when the bank notes cannot be sent in for payment in cash?—

Mr. Dorrion. By the demand for discount by individuals.

Mr. Pole. I should certainly feel that it depended entirely on the applications that were made to the bank; certainly I am answering this question without having much opportunity of experience, because of late years we have not been in the situation to have that opportunity of judging; I am therefore giving the answer more from what I conceive likely to be the case, than from what I have known to be the case; for our issues have been in that situation that we were less likely or less able to judge of the applications being from the wants of the public, as our applications for discount have been very small till just of late.

Mr. Harman. I am certainly of opinion of the governor, that it is chiefly from the demand for discount from individuals that we judge of the scarcity or abundance of money; the character of the party of course always understood.

Mr. Thornton. By the demand from respectable quarters upon what appears to be genuine commercial paper, which, superadded to the issues before made on government securities, is in my view a criterion of the wants of the public.

HAVE there not been periods when the demand for discounts, compared with the amount of bank notes outstanding, has been extremely small, at those periods by what criterion have the bank measured the amount of the circulation required?—

Mr. Dorrion. When the advances to government are very large, the demands for discounts have been generally small; and upon those conditions the bank has very little control over its issues.

Mr. Pole. In that instance we have no criterion to go by.

Mr. Thornton. Though it be small, still, nevertheless I think the demand for discount superadded to the issues previously made on government securities, affords some criterion, although perhaps not the most perfect, of the wants of the public.

Mr. Harman. I very much agree with the governor in his answer; I think that supposing, hypothetically, the advances to government are so large as to occasion a less demand for discount, we have not the same opportunity of judging of the real wants of the market as we should have when the chief amount was advanced on discounts.

WOULD not an issue of paper currency, not convertible into specie beyond the amount of circulation naturally required, contribute to affect the exchanges with foreign countries, and to raise the price of gold and of all commodities?—

Mr. Dorrion. If there is a superabundance of circulation more than the public requires, it would render the exchanges unfavourable and raise the price of gold; if the exchanges are unfavourable the price of gold would get up, and of all commodities, more or less, I should think.

George Davien,
Charles Felt,
Samuel Thornton,
J. Harman,
Esqrs.
(5 March.)

Mr. Felt. I should think a superabundant quantity of circulation would have an effect upon the exchanges, and of course upon the prices of all commodities.

Mr. Thornton. Supposing an excess of paper, I admit it would have that effect, though the exchange has been favourable when there has been a large amount of bank notes.

Mr. Harman. If the excess is materially beyond that amount which the wants of the public require, and remains so for a considerable time, I think it might have that effect.

IS the present amount of bank notes outstanding, whether issued in the form of discounts to merchants or advances to government, altogether more than the natural circulation of the country requires; if more, state the reason for the excess; if less, the reason for the reduction which has taken place in the last six or eight months?—

Mr. Davien. I cannot conceive that the circulation is less than the country requires, from the general rate of interest; while government securities sell, as they do now, I cannot conceive that the circulation is less than the country requires; whether the country will bear a further reduction must be a matter of experiment, though I should think that the circulation was more than the country required, for the reason I have before given, that government securities do not afford a sufficient interest for any capitalist who has his money to invest.

Mr. Felt. At the present moment I do not think that it is more than is immediately required for the circulation of the country, because as the country has been supplied with a much larger circulation, it cannot be reduced immediately to that which perhaps might be the wholesome quantum of circulation; and therefore till that takes place, the quantum at this moment may be required to give time to persons to replace themselves in the situation which they would have been in, had not the circulation been allowed to run to the extent it has run, therefore at the moment I conceive that perhaps the amount of circulation is not more than is required; but I think that sum now standing is more than would be ultimately required.

Mr. Thornton. I am of opinion, that the reduction in the amount of bank notes is already made as low as the wants of the country will admit; I had an expectation, some time back, that it might be carried lower, but I think the experience of the present time, when there is considerable distress, and have been many failures, evinces that it cannot be drawn to a narrower compass without embarrassing the commercial operations of the country; the reduction from the former amount has been obtained chiefly by repayments on the part of government, and I consider that it was an object always in the view of the bank to accomplish that reduction, whenever the repayments should put them in a situation so to do.

Mr. Harman. If the question had been asked me some time back, I should have acknowledged the amount greater than the country required; I do not think so at present, and I seem to be warranted in offering that opinion, by the different state of our discounts: at the period first alluded to, the demand for discounts was very small; it has increased very considerably indeed of late, of paper of the best description, and therefore I do not believe that the present amount is greater than the wants of the public require.

SUPPOSING ten millions from the present amount of advances to government, to be repaid, would an equal amount be issued on discounts, if required, and no reduction made from the total amount of bank notes, with a view to the resumption of cash payments?—

Mr. Davien. I do not apprehend that the bank would refuse to discount any good paper, even to that extent.

Mr. Felt. With the experience I possess, I should think that the same quantity repaid by government, would not be issued upon discount.

Mr. Thornton. Having already stated, that I believe the present amount of circulation to be necessary to the country, I conceive a correspondent issue would be given upon good discountable bills, if such were offered; and I would go further, that were the experience to warrant it equally at that time as it does now, I should maintain the same issue, though we were open to pay the notes in cash.

Mr. Harman. I very much agree with Mr. Thornton in his answer, and alluding more particularly to the periods to which I presume he alludes, any attempts to place the bank in a better situation, by starving the circulation of the country, have not been found to answer; they generally increased the difficulty which they were intended

intended to remedy; I am at the same time fully convinced of the difficulty in which the bank may possibly be placed under the circumstances described by the question.

George Davies,
Charles Pole,
Samuel Thornton,
J. Harman,
Esqrs.

(5 March.)

IF the present amount of bank notes outstanding, be not more than the natural circulation of the country requires, in what way do you account for the present price of gold, and the state of the exchanges?—

Mr. Harman. I believe I have already stated to this Committee, when I was here before, that I did not consider the present depressed state of the exchange, and the high price of bullion, as owing to any excess of the circulating medium in the country, but to an unfavourable balance; and I alluded more particularly to the recent financial operations on the continent, which, the more I reflect upon the subject, the more I am convinced have had a very material effect indeed in increasing that depression.

Mr. Thornton. I entirely concur in Mr. Harman's answer; and I believe, when I was under examination, I stated that opinion to the Committee.

Mr. Harman. On the former occasion certain questions were put to me, the last of which was, Whether the inconsequence from the effect of the foreign loans was not bounded by the amount of three four or five millions, or whatever that amount should be? the answer I gave was, Certainly.—I would beg to add, as a bank director, that the disadvantage to the bank is the issuing so much gold, which has been purchased at a high rate, at a low one; the gold purchased at upwards of 4*l.* issued at 3*l.* 17*s.* 10*d.* that, to the bank and the country, is a considerable loss; but my feeling on the subject of the transactions alluded to is not merely bounded by the sum which may have been remitted from this country to be invested in foreign securities, I am apprehensive of the continuance of that, but much more uneasy as to the effect that these operations may have, prospectively, upon the exchanges, keeping them in an unsettled state, and consequently contributing to counteract any measure that it may be in the power of the bank to take to resume their payments in cash.

IN the issue of bank notes for advance, to government, whether by the purchase of exchequer bills or otherwise, by what considerations have the bank been influenced other than the accommodation of government?—

Mr. Davies. The bank have always conceived it to be their business to advance their money upon good security, and if there was no objection, and government paper offered, they lent their notes on government paper to as great an extent as was convenient.

Mr. Pole. On no other consideration than the pressing necessities of government.

Mr. Thornton. The bank wish to make their issues upon the best security, and although advances to government bring them less profit, inasmuch as they are made at a lower rate of interest than they obtain on discounts from private merchants, nevertheless the consideration of superior security, and the impracticability of obtaining good genuine mercantile bills to the amount of the whole loans required for the service of the public, induce the bank to make a portion of its advances on government securities, and they have always been accustomed so to do.

Mr. Harman. It has always been the custom for the bank, time out of mind, to afford accommodations to government; it was instituted for that express purpose, and so we have continued from that day to this; and I have always, for one, thought it a part of our duty to do so, provided we could do it with safety to the establishment: with respect to the amount of the issues, that must depend upon the discretion of the court of directors; they exercise that discretion as far as they have the opportunity of doing it, but it is desirable to have a part of their advances, as has ever been the case, upon government securities, and a part upon discounts.

ON what principle does the bank refuse to discount the best mercantile bills, having two months to run at a lower rate of interest than five per cent, and take exchequer bills, having twelve months to run at the rate of three per cent?—

Mr. Davies. The demand for discount always proceeds from the wants of the public, and if the bank were to discount at a lower rate of interest than five per cent, in my opinion there would be no greater application than if it were to discount at the present rate.

Mr. Pole. The very pressing necessities of government have induced the court

George Derrin,
Charles Pale,
Samuel Thornton,
J. Harman,

Esqrs.

(5 March)

of directors to yield to grant that accommodation to government upon such securities as they raised in the market in general; and when our issues were upon that species of security, the applications to the bank have been very trivial in respect of discounts.

Mr. Thornton. During the restriction, I know no better criterion to prevent an application for more bank notes than the circulation of the country requires, than keeping the interest at five per cent, inasmuch as by a low rate of interest the bank would encourage speculation, and money would more easily be raised from them, for the purpose of being invested in foreign securities. I have already stated that it is not a question of profit, but of security, that induces them to make their advances on government securities.

Mr. Harman. I do not know whether it is quite fair to take the present state of the government account with us as a criterion, because that account is now very high; but supposing the amount of advances to government to be regulated upon the scale which they have in general been, I think the bank would be perfectly right to take a portion of those securities as the foundation of their advances, and to advance the remainder upon discount; it is a very long time indeed since the bank discounted under five per cent; they never discounted under five per cent, except foreign bills, and that to a very limited amount; it was suggested that the rate of discount should be lowered about two years since, and it was very maturely considered; upon the whole it was thought better not to make any alteration; and I think the experience we have had proves that the directors were right, because, though it might have been consistent with the existing state of things, then we should in all probability have had to raise it again, for discount is now at five per cent, and money has lately been worth even more. I for one, am of opinion, that fluctuations in the rate of discount by the bank are not advisable.

IS it, in your judgment, expedient that an arrangement between government and the bank should be made, which in their effect must lower the general rate of interest of money?—

Mr. Derrin. I do not think it desirable for the fair trade of the country, that the rate of interest should be lowered.

Mr. Pale. By no means.

Mr. Thornton. As far as the bank were concerned, they certainly gave an opinion against the reduction of interest; and it was only after the issue of Exchequer bills to the public, at a reduced rate, that the court consented to take them at the same rate of interest. I conceive there could be no objection to the bank co-operating in the general reduction of the rate of interest, if they thought it was the fair return that the circumstances of the country would admit of being made upon the capital employed on such securities.

Mr. Harman. Decidedly not; I think that any arrangement between the government and the bank, for the purpose of lowering the rate of interest, would be very unbecoming of the bank; I can suppose the case, when government may be fully authorized to require advances at a lower rate of interest than the one that has previously existed, and that then the bank would be perfectly free to lend their money at that lower rate of interest; for it is one thing to change the rate of interest in their transactions with individuals, and another to lend money at a lower rate to the government; I conceive them to be quite distinct things; I do not apprehend my opinion is asked, whether the rate of interest was too low or not.

(To *Mr. Thornton.*) Do you think that Exchequer bills within the last two years could have been circulated at their reduced rate of interest, if the bank had not been purchasers of Exchequer bills at a low rate to the large amount which they have been?

Mr. Thornton. I think they could not have been circulated to an equal amount; but the bank did not receive them at the reduced rate of interest, until after that rate of interest had been adopted by the public at large; the bank gave an opinion against the reduction of the rate of interest upon Exchequer bills, but the public having chosen to take them at such reduced rate, the bank could no longer urge their objection.

OF the total amount of bank notes at any time outstanding, must not the proportion which those issued on discount at five per cent bears to those issued to government at three per cent, contribute to affect the general rate of interest of money?—

Mr. Davrien. If a very large proportion of the bank notes are issued at three per cent, it will have influence in lowering the rate of interest with the public.

Mr. Pele. I think the rate of interest must be influenced agreeably to the quantities that are issued upon the two different securities, that it must depend upon how those proportions work one with another.

Mr. Thornton. I think the general rate of interest of money is affected by the total amount of issues in circulation, and not so much with respect to the proportion of the advances made by the bank at three or five per cent.

Mr. Harman. It appears to me that the operation in question, has not so much the effect of lowering the general rate of interest as may at first be supposed, and that it is really rather a saving to government who issue those bank notes again, of the difference between the rate, whatever it may be, government pays, and the legal interest, or interest which money bears generally in the market.

(To *Mr. Harman.*) Do you suppose that if all the issues of the bank were out on discounts at 5 per cent, persons obtaining money upon discounts would lend it at less than five per cent?—*Mr. Harman:* I should think hardly.

SUPPOSING during the restriction, the total amount of bank notes at any time outstanding, to have been issued on bills discounted by the bank, on the established principles by which their discounts are regulated, would you not consider that amount as the fair measure of the bank's commercial demands of the country?—

Mr. Davrien. I should consider it as a criterion of the real wants of the public.

Mr. Pele. I certainly should.

Mr. Thornton. The case supposed in the question never has existed in nearly the forty years I have been in the bank; the issue never at any time whatever has been exclusively on commercial bills.

Mr. Harman. Answering it as an abstract question, I should answer it in the affirmative.

SUPPOSING, during the restriction, the total amount of bank notes at any time outstanding to have been issued on advances to government, would you consider that amount as measuring any thing but the convenience of government?—

Mr. Davrien. I should suppose that the application of government to the bank for advances upon exchequer bills is to suit their own convenience.

Mr. Pele. I should certainly consider it as such.

Mr. Thornton. I consider that it must measure also the necessities of the public, inasmuch as it supplies the circulation of the whole country.

Mr. Harman. Decidedly the wants of government and the public.

DO you conceive it to be indispensably necessary, towards enabling the bank to resume cash payments, with safety to itself and advantage to the country, that the present advances to government should be materially reduced?—

Mr. Davrien. I conceive the repayment of the bank's advances to government to be the first step necessary to be taken towards the resumption of cash payments.

Mr. Pele. Certainly.

Mr. Thornton. I consider it of importance that they should be materially reduced.

Mr. Harman. I consider it to be indispensably necessary.

ASSUMING the fact, that the resumption of cash payments must be attended by some reduction in the amount of bank notes in circulation, is it your opinion that such reduction would be effected gradually and easily, in proportion as the bank possessed that control over the issues of its paper from month to month, which the system on which mercantile bills are discounted necessarily establishes?—

Mr. Davrien. If the bank had a control over the issues of its paper it would contract its issues in such a manner as in the judgment of the directors would produce the least inconvenience to the public.

Mr. Pele. I consider it to be the only way by which the reduction of the issues of bank notes can take place, with the least inconvenience to the public.

Mr. Thornton. I think it essential that the bank should have control over its paper; but I do not know whether its means of opening would be facilitated in the exact proportion of the reduction of the government advances.

Mr. Harman. The best mode of contracting the amount of our issues would be by the government repaying us a part of our advances; if after that, further reduction should be found necessary, with a view to the opening we could better control the paper

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Charles Pole,
Samuel Thornton,
J. Harman,
Esqrs.
(s. Munch.)*

paper discount, which has only two months to run, than our advances to government, which are for a more distant period.

WHAT is the nature of the preparations, in your judgment, necessary to be made for the resumption of payments in cash?—

Mr. Davison. A gradual repayment of the advances of the bank to government; I think that the rest would follow.

Mr. Pole. A large repayment from government to the bank of their advances, whereby we might become possessed of the control over our issues, that is the purchase of gold to prepare ourselves for the opening, we might have the power of withdrawing from the public the bank notes we issue upon discount, in lieu of those notes we issue in purchase of bullion.

Mr. Thornton. A reduction of the advances to government, the obtaining of so much bullion as circumstances will admit, and a reduction of the issue of bank notes to an moderate rate as the mercantile wants of the country will admit.

Mr. Harman. I should say also the reduction to a considerable amount of the government advances; with respect to any other measures which must be taken, I am not prepared to give an opinion to the present state of the exchange, because until I can be convinced, in the first place, that the public can bear the amount of that reduction, and in the next place, that those opinions are well founded which I have heard frequently broached, and particularly of late, that the lessening the amount of issues will have the effect of raising the exchanges, and consequently bringing in the precious metals to the country, till I am convinced that the reduction will have that effect, I am not prepared to say what other measures the bank can take; I incline to think that the bank must be passive as to any attempt to purchase gold, because to think of purchasing gold, or bringing gold into the country while the exchanges are against us, is quite contrary to my judgment.

STATE what was the preparations made in the month of May 1813, with a view to the resumption of cash payments in July 1813?—

Mr. Davison. In the month of May there was a memorandum of an agreement, whereby government were to pay the bank one million per month, to the extent of between 8 and 9 millions.

Mr. Pole. In May 1813, the preparations made were an agreement with government for a monthly repayment of their advances, of one million per month; which has not been complied with.

Mr. Thornton. I cannot speak precisely as to any particular dates, and would beg leave to refer to Mr. Harman, who was the antecedent governor.

Mr. Harman. I think that the only preparation which we had it in our power to make, certainly the only preparation we did make, was in prevailing upon government to make us a repayment to a very considerable amount of our advances to them.

IN what state of preparation towards the resumption of cash payments do the bank stand at this day, compared with the month of May last?—

Mr. Davison. The bank is in a better situation, by the diminution of the advances to government, though not to the extent of the agreement, and by a reduction in the amount of its notes; but in a worse situation in consequence of the drain of cash, which has been more than equivalent to the reduction of notes.

Mr. Pole. In a better state in respect of our issues of notes; in a worse state in respect of the amount of our bullion.

Mr. Thornton. In a better state, both with respect to the advances to government and the issue of notes, but materially worse by the reduction of the bullion.

Mr. Harman. I beg to answer in the same words with the governor.

HAVE any further repayments of advances been made by government since the 18th of January last?—

Mr. Davison. I am not aware that there have been any.

HAVE any further advances been made to government since the memorandum in the month of May 1813, either by purchase or otherwise?—

Mr. Davison. No further purchases or advances have been made to government since the period mentioned, except upon the land and malt, and the bills under the Act of 57 of the King.

HAVE any applications been made by government for further advances within that period up to the present time?

Mr. Dorrice. I must refer to my examination on the first day.

Mr. Pele. I have no recollection of any application.

Mr. Thornton. I have no recollection of any such application.

Mr. Harman. I do not recollect any application.

*George Dorrice,
Charles Pele,
Samuel Thornton,
J. Harman,
Esqrs.*

(5 March.)

(To *Mr. Dorrice.*) You were understood to state, that you judge of the proper amount of the circulation of the bank, at any period, to be determined by the amount of demands for discount on good bills?—

Mr. Dorrice. I am of that opinion.

IS the demand for discount on good bills, considerable at present?

Mr. Dorrice. It has increased of late.

Could discount be refused on good paper, without creating distress in the mercantile part of the community?—

Mr. Dorrice. I am not aware that any good paper has been refused discount; if good paper was to be refused, it certainly would be distressing to those parties who apply for discount.

HAS the accommodation of discount been given, of late, to a greater extent than you consider necessary and proper?—

Mr. Dorrice. No.

WHAT was the rate of interest on exchequer bills, at the period of the peace?—

Mr. Dorrice. I should think it was 3½*d.*; that was the rate during the war, and I should think it was so at the time of peace.

WAS not the reduction of interest gradual, sometimes at the rate of a farthing a day, and never more than a halfpenny at one time?—

Mr. Dorrice. I believe it was gradually reduced by a farthing and a halfpenny a day.

WAS any reduction ever made of the interest on exchequer bills, till bills at the rate then current in the market, bore a considerable premium?—

Mr. Dorrice. No, certainly not.

AT the time of the last reduction, where it has been stated that the bank objected to the reduction; namely, from the 2½*d.* to 2*d.* did not the bills at 2½*d.* a day bear a premium of 30 per cent. in the market?—

Mr. Dorrice. It might be so; I do not recollect.

Mr. Harman. Yes, I believe they did.

SINCE the reduction of bills to the rate of 2*d.* a day, what amount of those bills at 2*d.* have the bank purchased?—

Mr. Dorrice. I am not aware that the bank has purchased any bills at two-pence a day; they have exchanged old bills for new ones at 2*d.* a day.

COULD the general rate of interest in the market have been reduced by those exchanges, if the bank purchased no additional bills?—

Mr. Harman. I should conceive, that the purchasing of bills, or suffering those which were due to run on, was pretty much the same thing; and though the bank have not purchased, and certainly remonstrated against the reduction, and declined to advance at 2*d.* a day, yet, inasmuch as the bills which were then in their possession were not paid off, the bank notes still remained in the exchequer, or under the direction of government, I should think the effect would be the same.

Mr. Dorrice. I concur in opinion with Mr. Harman.

Mr. Pele. I should think the effect would be the same.

Mr. Thornton. I am opinion, that the public would not have taken the amount of exchequer bills, which the government required to be issued at the rate of 2*d.* a day, if the bank had not been holders of a very large proportion of exchequer bills in circulation.

George Dorrice,
Charles Felt,
James Thornton,
J. Harman,
Esqrs.
(3 March)

When the twopenny bills came out, did they not sell readily in the market at 20 s. premium, although the bank purchased none?—

Mr. Harman. The value of the twopenny bills in the market varied; they certainly did sell at very considerable premium, at nearly as high a premium, I believe, as the 2½ d. bills; but I still must contend, that they would not have borne that premium, if the bills in the hands of the bank had not remained unpaid.

What proportion of twopenny bills did the bank ever take, either by exchange or purchase?—I cannot charge my memory with the amount; but it was a very inconsiderable amount.

Does not then nearly the whole amount of the exchequer bills held by the bank, bear an interest considerably above three per cent?—

Mr. Harman. Certainly.

Mr. Dorrice. There are none below three per cent, and some were beyond it 2½ d. in the general amount of those held by the bank.

(To *Mr. Dorrice.*) ARE you aware of the value of the corn imported into this country in the last year?—

Mr. Dorrice. No, I am not.

Supposing it to be to the extent of not less than nine millions, do you apprehend it could have no effect upon the exchange?—

Mr. Dorrice. Importations of every kind must have an effect upon the exchange.

Supposing the value of corn imported to be 13 millions, including the importation from Ireland, and that from foreign countries, 10 millions and a half; must it not have had a considerable effect upon the exchange?—

Mr. Dorrice. It certainly must have affected the exchanges materially, and increased the unfavourable balance against this country.

Supposing then that we are blessed with a favourable harvest this year, and that the general course of trade is favourable to the country, have we not reason to expect an improvement of the exchanges, independently of any measures taken by the bank?—

Mr. Dorrice. I should suppose, that if there is not the same importation of corn, and that there is an increase of export this year beyond that which there was last year, the exchanges will be more favourable.

BY what rule is it to be understood, that the bank regulated the amount of their advances to government when they were paying cash?—

Mr. Thornton. By the total amount of the issues of notes, which they thought it expedient to keep out.

Is it not probable, that on their return to cash payments, they will be governed by the same rule as when they were formerly paying in cash?—

Mr. Thornton. Most indisputably.

Are not bank notes required for many purposes not strictly commercial, as for the payment of taxes, and private use?—

Mr. Thornton. We are all of that opinion.

Could the public depend upon a sufficient supply of bank notes for those purposes not strictly commercial, through the medium of discount only, and without any advances to government, under a state of restriction?—

Mr. Dorrice. I have never known the bank without advances to government; and I should suppose therefore it was necessary for the circulation.

What difference would the resumption of cash payments make in that respect?—

Mr. Dorrice. In looking back to former times, I find that the bank always held a proportion of government paper.

Mr. Thornton. None, in my view.

Was not the future resumption of cash payments at all times borne in mind, in discussions between government and the bank?—

Mr. Harman. As far as my experience goes, invariably.

Was not a great reduction of the advances of the bank to government made in the year 1815, and early in 1816, with a view to that resumption?—

Mr. Harman. Yes, there was a considerable reduction.

For that particular purpose?—

Mr. Harman. I believe that was the object.

Was it not then understood, that the bank advances were to be reduced to twenty millions; and did not such a reduction take place?—

Mr. Harman. I think it did; I cannot charge my memory to the amount, but I believe that was the state of facts; but though the amount was so far reduced, yet there was occasionally an increase.

WAS not the year 1816 a period of very considerable commercial and agricultural distress?

Mr. Harman. Very great indeed; but I should say rather more confined to the country than to the metropolis. I think the distress in the country was greater than in the metropolis.

Were not unusual applications made to the bank for relief, at that time?

Mr. Harman. Very unusual applications, from persons in various trades in the country; and there was a considerable distress also among the country bankers, and there were many failures.

Did not that distress render it necessary to relieve the public by an increased issue in bank notes?

Mr. Harman. Yes; but as the distress was, as I have already mentioned, more confined to the country than London, it became difficult to administer that relief; the distress was so great, that a gentleman could not raise £. 5,000 upon the finest estate in the kingdom upon mortgage; there was a complete want of money for mortgage; and in consequence of the distress, it appeared then, as it always does, that those who could best afford it, were least disposed to give assistance; they were driven, as they thought, to take care of themselves, and to keep a reserve in their own hands greater than they would have done in more easy times.

[The other gentlemen stated themselves to concur in this answer.]

Were not the advances made in that year by the bank to government a great instrument of relieving the distress you have spoken of, by affording more plentiful circulation?

Mr. Harman. Yes, inasmuch as they made money more abundant.

Could government have raised money at that time in any other way after the refusal of the property tax without greatly increasing the distress of the public?—

Mr. Harman. That is a matter of opinion; I should think not; I think it would have been very difficult to have raised it on moderate terms in any other way at that time, alluding to the particular period of 1816.

HAS not the bank at different times declined to comply with the applications of the treasury, for advances of different kinds?—

Mr. Harman. Frequently.

Is not the public benefited, indirectly, in the way of discount, by the money put into circulation by the purchase from government of exchequer bills?—

Mr. Dorrice. If money is abundant with the private bankers, of course it will facilitate discount.

Supposing the government should pay off any given quantity of exchequer bills at a time when the wants of trade should require the full effusion of the same sum in discounts, would not the regulations of the bank, fixing an amount of credit to each house of business, be liable to prevent their being accommodated in proportion to the additional funds placed at the disposal of the bank?—

Mr. Dorrice. The experience and constant attendance of the directors of the bank enable them to judge of what is sufficient accommodation to the real wants of the trade of the country, and that is always supplied.

Mr. Harman. I would beg to add, that it is an erroneous idea, to suppose that the bank fix any limits which may not occasionally be deviated from; we do not conduct our business on such mechanical principles.

(To *Mr. Harman.*) IN the year 1816, when you state that £. 5,000 could not be raised at legal interest upon the best real security in the kingdom, what was the rate of interest in exchequer bills?—

Mr. Harman. I think it was two pence halfpenny; either two pence halfpenny or three pence.

Did not exchequer bills bearing that rate of interest sell in the market at a considerable premium?—

Mr. Harman. I am not prepared to answer these questions correctly, but I believe they did, certainly at a considerable premium.

*George Dorrice,
Charles Pole,
Samuel Thornton,
J. Harman,
Esqrs.
(5 March.)*

*George Davison,
Charles Pale,
Samuel Thornton,
J. Norman,
Esqrs.*

(5 March.)

In what manner do you account for that difference, between the rate of interest on exchequer bills, and the current rate of interest on the best securities?—

Mr. Horman. Because the one was a convertible security, the other a locking up of money; and I believe that furthermore it may be accounted for by the expectation of the restriction ceasing in the July following, which persons have a notion will very materially reduce the amount of the issues of the bank.

Are there not other circumstances, besides the current rate of interest on government securities, which influenced their price in the market, such as the idea of their being funded?—

Mr. Horman. I really do not think that operates much; I never think of it myself I confess.

Are you of opinion that a great diminution in the demand for discount, during the restriction, is any criterion by which to judge of the bank advances to government being too large?—*Mr. Davison.* Yes. [The other gentlemen expressed their concurrence in this answer.]

DO not the bank consider it their duty to make every preparation, that depends upon them, to be enabled to resume cash payments, whenever the legislature shall determine that cash payments shall be resumed?—

Mr. Davison: I am of that opinion.—*Mr. Horman:* I hope it is not doubted; it would be doing us the greatest possible injustice to doubt it.—*Mr. Thornton:* I have already used very strong language, respecting my sense of duty upon that subject, in my former examination.

IS the scale of discount and bullion, which has been now delivered, a continuation of the scales, and founded upon the same principles, with those scales that were produced to the Committee in the year 1797?—*Mr. Davison:* Precisely so.

(To *Mr. Thornton.*) IF a repayment of ten millions was made by the government, and a sufficient application for discounts, at five per cent, was not made at the bank, to enable them to maintain so large a circulation as twenty-five millions, would it be thought right by the bank to purchase exchequer bills in the market, in order to enable them to maintain that amount in circulation?—Not unless there was an apparent scarcity of money, which there may be, though no demand for it upon discount.

A Witness has stated to the Committee, "that at a quarterly meeting in the month of October, on a question being asked by a proprietor of bank stock of the governor of the bank, with respect to the resumption of cash payments in July next, the answer of the governor was, that it would not be the fault of the bank if the resumption of cash payments did not then take place;" was any such question put, and any such answer given?—*Mr. Davison:* The question was put, but I do not think the answer was in those words.

Have the goodness to state the words?—*Mr. Davison:* To the best of my recollection, it was stated that it was a measure that did not depend upon the bank.

IN the account of advances by the bank to government, dated the 12th of February, there appears to be somewhat more than one million under the head of unclaimed dividends; does not this sum represent the unclaimed dividends applied to the public service, under the authority of the acts passed in 1791, 1803, and 1806?

Mr. Pale. It is under the authority of Parliament that it is applied; I do not remember the dates of the acts.

IN estimating the real advance from the funds of the bank of government, ought, not this million of unclaimed dividends to be deducted from the account lately delivered by the bank to this Committee, which stated the aggregate amount of those advances, on the 11th of February, at something more than twenty-three millions?

Mr. Davison. It is the usual way of stating the bank's accounts.

Is not the above sum of one million, public money, and in no respect the property of the bank?—*Mr. Davison:* It is the money which has been issued for the payment of the dividends, and is made use of by the Chancellor of the Exchequer.

Lund, 8^e die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

HIERONIMUS BURMESTER, ESQUIRE,

Called in; and Examined.

IN what line of business are you?—In the Spanish and Portugal line chiefly.

As a general merchant?—As a general merchant.

Hieronimus Burmester,
Esq.
(8 March.)

Have the goodness to state generally what you conceive would be the consequence of an obligation imposed on the bank to recur to cash payments within a given period, suppose at the expiration of a year from this time?—My conception has been that, in consequence of the unnatural continuation of a long war, the present situation of the country has really not had time to recover sufficiently for the natural means of intercourse between this and other countries to produce that quantity of bullion in this country that would enable the bank to make their cash payments; that has been my conception; and it has also been so for this reason, that there are a number of the trades completely and entirely altered from their natural channel, which used to be the case prior to the war; for example, the India trade has been thrown open to individuals; that has caused an increased want of circulation to carry on that trade, by its being carried on by individuals, which was great part of it carried on by the East India Company; for the returns to individuals, although they come much quicker, some of them, yet they are not always applicable to the use for which they are wanted: then the direct trade to the Brazil, which used to be carried on through an intermediate channel, through Portugal, when the trade was in its regular state, the returns that were made were a great portion of them in gold and silver: when we were in that trade we used to receive perhaps, by each different packet, fifteen, twenty or thirty thousand pounds at a time, partly in gold and partly in silver, according to circumstances; now that the trade is carried on direct with the Brazil, and that the court of Portugal is now established in the Brazil, they no longer coin the same sort of gold that they used to coin, nor does it come here, because it passes for more in the country than it is really and intrinsically worth. My observations are only really what may be called practical observations, as far as they go; how far they apply to the quantity of gold that now comes to this country, in proportion to that which used to come, I am not able to describe: in consequence of this, my idea is that if the bank were now under the obligation of paying to the public from eight to ten millions per quarter for the interest of the national debt, if they were to be put into the situation at any time of being pressed upon to pay the whole of the dividends in gold, though it is not very likely, I think it would be putting them under a difficulty at this time, when the natural courses of trade have not taken their turn, which they may do in some little time hence; there would be the possibility of throwing a discredit on the bank paper, which I think could not be beneficial to the trading interests of the country.

Will not the causes to which you have referred in your last answer continue to operate permanently; and while they do continue to operate, is it your opinion that they will oppose the same obstacles, they now do to the resumption of cash payments?—My opinion is that many circumstances may occur, not to cause their continuing permanently; for example, there is at this present moment a probability that a very large quantity of the lower sort of cotton goods may be exported, in consequence of the low price of the East India cotton, in the course of this year, larger than perhaps has been for a great number of years; should that happen with many articles of our manufacture, and that the quantity going out of the country should be such as to influence the exchange, then in all probability there might be resistances in gold from different quarters come again in course; when these should come, and that the quantity that is wanted to enable the bank to judge of what has really at all times been wanted for the purpose of paying in cash, when that quantity is here, and the bank directors should feel themselves in a state to do it.

Q q

I take

Alfred Brewster,
Esq.
(8 March.)

I take for granted they would follow it as they used to do formerly of themselves, for there have been instances since I have been in the trade, that I have in the same month sold bar gold to the bank at 77*s.* 6*d.* when I have in the course of that month repurchased from them thirty-six shilling pieces at 77*s.* 10½*d.* for exportation; therefore as circumstances change so quickly occasionally in trade, and that from those circumstances which no merchant can ever venture to say that he can himself foresee, (if he could foresee so much he would be able to accumulate a fortune in a very easy manner, but we are all thrown upon our back sometimes after the best calculations;) in consequence of this, to attempt to give an opinion whether circumstances will continue permanently, or whether they will be improved quickly, is out in my power; I think it depends so much upon circumstances we cannot foresee, that I cannot venture to give an opinion.

Do you think the price of gold in this country is likely to fluctuate so much, that it is difficult for the bank to resume cash payments with a certainty of being able to continue permanently?—Just so.

Do you think that subsequently to the resumption of cash payments by the bank, there would be those fluctuations in the price of gold?—That would depend very much upon the quantity that might come; and I am not aware (in order to simplify the thing in my own mind) that any merchant would think it prudent at this time, to contract for any large quantity of gold to be delivered within a certain time.

Do you know what have been the fluctuations in the price of gold at Paris within the last four years?—No; but I was referring to the fluctuation in the prices of gold that I have experienced; and the fluctuation in the price of gold that I have experienced in my trade, has been from 81*s.* 9*d.* down to 77*s.* 6*d.*

To what period do you refer?—Prior to the year 1797.

Before the bank restriction, you remember fluctuations to the extent of from 81*s.* 9*d.* down to 77*s.* 6*d.*?—I do, from the price of bar gold to coin, that is, to 36*s.* pieces.

Compare bar gold with bar gold of the same standard?—I speak of the coined gold at 77*s.* 10½*d.* which was the standard price at that period.

And the exportable gold at 81*s.* 9*d.*?—The very same gold fluctuated; it was at one period, considerably earlier than 1797, I suppose as far back as 1789; between 1789 and 1802, I think at different periods I have seen the price of gold at 81*s.* 9*d.* and 77*s.* 6*d.*

Then you speak of a period prior to and long subsequent to 1797?—With regard to the latter part, in 1802, I am not quite certain; but I am certain to the former.

Have the goodness to confine yourself to periods previously to 1797, and state what has been the greatest fluctuation in the price of bar gold of the same standard in any two years?—That I do not recollect; I merely referred and found that the fluctuation was from 81*s.* 9*d.* down to 77*s.* 6*d.*

Within what period?—I really do not recollect exactly how many years.

In making that statement do you include the period subsequently to 1797?—No, certainly, not subsequent: it struck me that I recollected I had sold gold in 1802, but I now begin to think that was Spanish gold, and that it does not come under the same description I speak of; thirty-six shilling pieces and bar gold from Portugal.

Do you mean that there had been so great a fluctuation in the prices of the same description of gold prior to the year 1797?—I think so.

Were there corresponding fluctuations in the price of silver at the same period?—There have been fluctuations in the price of silver, but without referring to dates I cannot give it with any degree of accuracy; but as far as my memory carries me, from 63½ to 67½: I have made contracts to deliver silver to the East India Company in considerable quantities at different times.

Supposing the bank should resume cash payments, do you see any objection to removing all restrictions on the exportation of coin and bullion?—I do see great objections; I am very much inclined to think that in the present state of the foreign loans, and the wants of other countries, that we should be giving our own power to benefit them, that is my conception, but that is merely a desultory opinion.

Do you think the laws which prohibit the exportation, and which you think it undesirable to repeal, are effectual to their object?—I should think not altogether, because

because I cannot help persuading myself that a great deal of gold is occasionally melted and sworn off as foreign gold; perhaps some traders in this country may think themselves entitled to make this oath because it is all foreign gold; and therefore I should think some further restriction for the swearing off of foreign gold might perhaps be beneficial in keeping the gold in the country at times: one of the reasons which make me think so, is this; I forget the quantity of sovereigns the bank issued, but they disappeared so quickly that one must conceive that there was some reason for that happening; therefore I cannot help thinking that there should be some guard until such time as the bank would resume cash payments without a positive notice to the public; by which I mean that they could naturally remove the restriction by their seeing that the course of trade, and the quantity of bullion that came into the country, would enable them to do it without any danger of a run upon themselves.

*Memorandum
Esq
(8 March)*

Do not you consider the disappearance of all the gold currency of the country, a conclusive proof that the laws which prohibit its exportation are wholly ineffectual?—That is my conception.

As they are wholly ineffectual, do not you think that it would be better to repeal them altogether, and to give no preference to the unfair trader, and to permit the exportation, instead of its being done in contravention of laws which you admit to be ineffectual?—I am at a loss to answer that question.

Supposing the exchanges to be favourable, and the market price of gold not to be above the mint price, and the bank to have resumed cash payments, describe the causes which in your opinion might operate to raise the price of gold?—That is a question which I cannot answer with any degree of certainty without further reflection.

In the course of the years 1816 and 1817 the market price of gold was not above the mint price, and the exchanges were not unfavourable; do you think, if the bank had then resumed cash payments, there might have been subsequently such an increase in the value of gold as to make it impossible for them to continue?—I should have thought so.

Have the goodness to state the nature of the difficulties which you think might have prevented them; do you refer to the foreign investment or the demand for gold on the continent?—The difficulties that would have occurred since that time would naturally have been the contracts that have been made for foreign loans; of course those different sums must be supplied in some way or other; if they are not supplied by bills of exchange, they must be supplied by bullion, and that would have caused a great exportation, and that would have raised the price in this market.

France has been under the necessity of making forced remittances to foreign powers; but notwithstanding those forced remittances, for which she has received no equivalent in return, she has maintained without difficulty a gold currency in circulation: how do you account for the same causes not having operated with respect to France?—I am hardly able to answer that except from hearsay, for not having been very much in that trade, except by representation I can hardly say what could have caused it, except one point, which is that the standard of the price of bullion, I believe, in France is taken from silver instead of gold, at least that is what I have understood; if that should be the case, it might have an effect which I am not prepared exactly at this time to consider.

Previously to the year 1797, do you recollect any drain of the gold currency from this country, in consequence of remittances to the continent on any account whatever?—No, I do not; the fact is that I am very ill prepared to answer the questions that are put to me at this present time, because not having had any preparation, nor having conceived that I should be called to give evidence upon the subject at all, I have neither made reference nor any preparation for the purpose.

Do you conceive that a reduction in the amount of bank notes, of two or three millions below their present amount, assuming that to be twenty-five millions, would have the effect of lowering the price of gold?—No, I should not think so.

Supposing the amount of bank notes was doubled, and that the amount in circulation was fifty millions, and that there was no increased demand for circulation for purposes of commerce, would not the effect in that case be, that you were more bank notes for the same quantity of gold than you do at present?—No; but in the way it is put, my mind does not serve me with an answer conclusive.

Are you not aware, that when orders for cottons, sugars or

Hieron. Bonnier,
Esq.

(8 March.)

given to the Brazils, it is more advantageous to make remittances in specie than to be drawn upon from thence by bills?—Decidedly so; so much so, that in a very recent transaction I had myself in the importation of cocoa from the Spanish Main into Spain, the whole undertaking was done in Spanish gold which I purchased here; that was in 1814.

Does it not appear to you then, from that transaction, that it is as little likely that you should receive gold from the Brazils as receive it from Portugal, as you were in the habit of doing formerly?—Certainly; that is my reason for saying, that until the trade takes its natural course, that is, that the exports to the Brazils shall amount to so much more than the imports, that you cannot possibly have gold come back in a natural way from that source.

To what do you attribute the present situation of things, that is, the situation that leads to the currency going all out of the country, and to so little gold finding its way back again?—I have ascribed it to the trade, in the first place, not having taken its regular turn since the war; I also ascribe it to the natural cause of those foreign loans requiring so many issues from this country, that I also consider at this time as unusual; also the number of emigrations that have taken place, and the quantity of money that must be remitted for the expenditure of the different individuals on the emigrant; all these are heavy circumstances, which acquire time to come to rights.

Have you formed any opinion whether the present extent of circulation in this country of bank paper, estimated now at about twenty-five millions, is more than the nature of the trade of the country at this time requires?—That is a question I am not really able to answer; I should think it is so much better understood by the bank than I can pretend to answer to it, that it is a question of observation by those persons who are more in the habit of seeing what is required for the circulation; but I should suppose, from the natural composition of the bank, that there is nothing issued from the bank to the public but what appears to be for their natural necessities.

In alluding to the bank being enabled to resume its cash payments under natural causes, by which gold and silver would find their level and be imported into this country, do you allude to any particular circumstance, or do you allude merely to the expectation of the balance of trade or of payments becoming more favourable to this country?—It must come from natural causes, such as the balance of trade, certainly.

Do you infer that at the present time the balance of trade and of payments is against the country, or otherwise?—That would be my conception from the answer I have given before; but I cannot say that I have looked into it with that narrow eye to be able to give an answer from which any thing could be taken.

In stating the fluctuations of the price of gold prior to the year 1797, as having been between 77s. 6d. and 81s. 9d. do you refer exclusively to what is called bar gold?—To bar gold and foreign coin.

Have you ever, prior to 1797, either given yourself or known the price of 81s. 9d. to be given for bar gold?—I have sold it for that.

Is the Committee to understand that you had, prior to 1797, sold bar gold at the price of 81s. 9d.?—Either 81s. 9d. or 82s.; bar gold I do not recollect to have sold so high, but foreign gold I have; we used to have remittances made in gold dust and gold bar from Portugal; that gold dust and that gold bar we used to sell, according to circumstances, either to the bank, or otherwise the bank broker used to send us an order, and to whom we delivered it we do not know; but the prices that we sold that bar, as well as that coin, were from 77s. 6d. up to 81s. 9d. or 82s. I am not sure which, and that prior to 1797.

Gold of the standard?—Yes, of course.

Have you any reason to know what has been the effect of the introduction of steam engines into the gold mines in South America?—I have understood that they certainly begin to work them a great deal better, and to empty the water so much quicker; by which means, if the state of affairs were in a regular course in that country, there might be an expectation that a further quantity both of gold and silver might come to this country; but all these are circumstances one can hardly reckon upon.

Is a general expectation entertained that the quantity of gold coin brought into the market will be very much increased?—Whether it will greatly increase I cannot say; I think it may be expected gradually to increase, when things are in a quiet state.

Have

Have you any information as to the produce of the gold mines of Brazil?—No, *Misses Berners, Esq.*

Do you recollect any instance of the exportation of gold to the Brazil or to Portugal, prior to the restriction in 1797?—To Portugal, I do.

(18 March.)

Not generally?—No, it was upon a particular turn of the exchange.

NATHAN MYERS ROTHSCHILD, ESQUIRE,

Called in; and Examined.

IN what line of business are you?—Mostly in the foreign banking line.

Have the goodness to state to the Committee in detail, what you conceive would be the consequence of an obligation imposed upon the bank to resume cash payments at the expiration of a year from the present time?—I do not think it can be done without very great distress to this country; it would do a great deal of mischief; we may not actually know ourselves what mischief it may cause.

N. M. Rothschild, Esq.

(18 March.)

Have the goodness to explain the nature of the mischief, and in what way it would be produced?—Money will be so very scarce, every article in this country will fall to such an enormous extent, that many persons will be ruined.

When you speak of money being scarce, you mean that the reduction of bank notes would cause a fall in the price of all commodities?—Yes, I think every thing would fall so much that actually no purchasers would be found, because the mass of property who will purchase any article, will keep back, because he does not know the end of it; he does not know to what extent they may decline.

With all other commodities, the price of gold would fall also, would it not?—I do not know that it would much; certainly it must have some little fall, as gold is an article that is sure always to find a market, and to have a price.

Explain in detail why you think gold will be affected in a different degree, by a reduction in the amount of bank notes, from all other commodities?—Because gold is an article every where in request; in Paris it is known they make twenty-franc pieces, in Holland ducats, in every country they use it as coin, and it passes from hand to hand; but the commodities which you have here, such as colonial produce coffee, cotton goods, and almost every article in which this country trades, will vary very much, because they are not saleable every day, and if sent abroad, the markets will inevitably become so overstocked as to render them altogether unsaleable.

Suppose we take some article, itself of as general consumption as gold, corn for instance; will not a reduction in the amount of bank notes, produce a reduction in the price of corn?—I have no doubt that if money is scarce, corn will fall in this country that it will be cheaper.

Do you think the loans contracted for by foreign states have had an unfavourable effect upon the exchanges?—Certainly, no doubt of it.

Can you state generally the amount of the remittances taken from this country, for the purpose of investment, either in foreign securities or in such enterprises as afforded a rate of interest sufficient to afford an inducement to parties to send their capital from this country?—It is not possible to fix the amount, but I can tell the Committee what I have done; I am only one party, there are a great many other houses; my house has sold upwards of a million and a half sterling in the French stock, within these eight or nine months; about £,250,000 in the Russian funds, which we laid out for English people; probably from 3 to £,400,000 of Prussian stock, in the course of about six or eight months: this I have sold to individuals residing in Great Britain, who actually invested their money.

Are you speaking of permanent investments or of loans?—Real investments.

You mean that your house is the channel through which capital has been transmitted to France for investment?—I received the money from individuals in this country, and transmitted it to France.

Can you state what has kept the amount of remittances made from this country on account of loans, and what is the amount yet to be made?—That is not possible to state; I do not think any man can state it.

Is it not possible to state what has been the amount of remittances from this country on account of loans made by foreign powers since the peace?—If it is collected together from the transactions of different houses; the Russian government made a loan of five millions sterling in one year; the Russian government had a loan of upwards of fifty millions of roubles, or about two and a half millions sterling.

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N. M. Farnfield,
Esq.
{ 3 Months }

I do not know how much other houses may have invested in those loans, I can only tell what I have done; for the French government, Mr. Baring made three loans, the amount of those is known.

While the circulation of the country is in its present state, that is, consisting of paper not convertible into coin at the will of the holder, do you think the effect of foreign loans and payments abroad, to which they give rise, is different from what it would be were a metallic currency the basis of our circulating medium?—I have no doubt those loans have affected the exchanges.

Do you think those loans could have been made in this country if the bank of England had been paying in cash?—Certainly they could not have been made.

Have the goodness to state in what manner you conceive a paper currency not convertible into coin, has given the means of making the loans in this country, which would not have existed had the bank been paying in cash?—Through the medium of the war, which has continued for twenty years, we have had paper currency; it has given facilities to the war and to every business upon that account; every thing has gone smooth; but if you begin to pay in specie, every article will fall so much that there can be no loans; people will be obliged to look first at home, and to think of themselves before they send any thing abroad.

Supposing we were again to revert to cash payments, you do not think it probable that loans made in foreign countries could have the effect of deranging the circulating medium of this country?—I think not; I think there will not be many loans made here; there are a great many loans which foreign governments wish to make here, but as the money begins to be scarce, people will not venture to undertake them.

Supposing an application was made by a foreign power for the purpose of raising a considerable sum, say seven or eight millions, in this country, and that you were perfectly certain that at the expiration of a year the bank would be under the necessity of paying in cash, would you in that case embark in such a speculation?—No, certainly not; I should in a moderate sum, such as I can spare, but certainly not involve myself.

Supposing there was no prospect of the bank's resuming cash payments, until the expiration of five or six years for instance, in that case your objection to attempt the raising such a loan in this country would be considerably diminished?—Certainly I should try it in the market.

Does the facility of raising those loans arise out of this circumstance, that in consequence of the abundance of the circulating medium the interest of money is low, and the parties have therefore an inducement to invest their capitals in foreign funds?—There is no doubt that the English people invest a part of their money in foreign securities on account of getting a better interest, besides its being a growing passion at the present time; we lay out fifty to sixty thousand pounds a week in the foreign funds for different English houses.

Do you think the longer the system continues, and consequently the greater the investments that daily take place in foreign funds, the greater will be the difficulty when we are ultimately obliged to pay in cash?—No, I do not think so, upon this principle; I am of opinion the English will soon have enough of those foreign funds in which they continue investing, that I think if we keep at peace for a year more, that the French funds and all foreign securities will actually rise, by which means things will come to a level, and there will be a re-action and a disposition to sell.

Are the persons on whose behalf you make the purchases to which you refer, persons who embark in those speculations for the purposes of profit by a rise in the price of the stock which they purchase, or for the purpose of confining their investments permanently?—Some the one way and some the other way; it is impossible to know.

What is the proportion of the sums intended to remain permanently, to those which are merely speculative?—You may divide it in half, half speculative people and half for permanent investment, but in case a real rise takes place, which has been the case, they will all go out; it may be recollected about six months ago, when the French funds rose from 64 to 80, there was a great re-action, by which means the exchange, which had been low, rose three to four per cent. in favour of this country, and the greater part of the stock I had invested was sold out.

In what way were the profits thus made disposed of; and in what manner are the dividends receivable in consequence of the investments in foreign stocks disposed of; are they brought back into this country?—We receive a great many dividends from
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the French government now, which we pay to the persons to whom the stock belongs, as well as their profits on what is realized; what they do with the money it is not accurately possible to know, but a great deal of this money goes actually into our funds.

M. M. Rothschild,
Esq.
(8 Mark Lane)

Therefore the remittances from this country are to be set against the payments received from France in consequence of the amount of French funds belonging to persons resident in this country?—Yes.

Are you aware whether other countries, the Dutch for instance, have invested capital in French securities?—Certainly they have; the Dutch hold almost every stock.

Did not the Dutch make great remittances to France, for the purpose of investments in French stock?—Certainly.

Can you state what effect those remittances have had upon the exchanges between Holland and France?—I think it may have been sometimes one and a half per cent one way, and sometimes one and one half per cent the other way.

The circulation of Holland being a metallic one, the effect upon the exchange of their investments in foreign securities has been exceedingly limited?—Yes; their transactions are upon a very small scale, in comparison to those in this country.

What has been the effect of the forced remittances which France has been compelled to make to foreign countries, upon her exchanges with foreign countries?—Perhaps from one to one and a half per cent; I will explain the reason: France has for the last twenty years, during the war, collected from different parts the silver and gold and brought it to France, so that France is very rich in silver and gold; on that account the contributions which have been paid by France have been remitted in specie; we ourselves had to receive for Russia and Prussia, and for all the small powers; we have taken a great part in silver and sent it to Germany, so that if they can pay it in cash, the exchange keeps its level.

Supposing France had had a larger proportion of coin, compared with the demand for it arising out of her internal and external commercial transactions, than other countries had, could France have retained that coin even if there had been no forced remittances?—No, it would have gone away to other countries: in 1816 I received from two millions to two millions and a half of gold, mostly from France, which I sold to the bank of England; so that if this money had not gone from France to Germany, or to Russia and other places, and that there had been no loan made, there is no doubt it would have come to England for other commodities, coffee, sugar, and so forth.

Are you aware whether France has been importing corn for her individual consumption during the period she has been making her forced remittances?—Certainly, in 1816 there was a great deal of corn sent from this country to France; I myself have bought about 2 or £. 500,000 worth of bills which had been drawn for corn, and I have had gold back for it in return.

That was at the period when the wine harvest failed in France?—I believe it was; we bought bills on Germany and on France.

Does it appear, that though the wine harvest had not been so productive as in former years, and although France was under the necessity of importing corn, and although she was under the necessity of making forced remittances to foreign powers, that notwithstanding that combination of circumstances, her exchanges with those foreign countries to which she made the remittances did not vary more than one and a half to two per cent?—Yes, because it is specie; if the exchange falls, the silver and gold will answer instead, and that happened at that time when we received an immense deal of silver and gold.

Can you state what was the variation in the exchange between this country and France during that period?—In 1816 I believe the exchange has been 25. 40. to 26; in that time the gold gave, on its importation from the continent, about one and a half to two per cent profit, and then after this the bank lowered their price of gold from 80 to 79s. and then it slackened in coming here.

For the purpose of making the remittances to the continent, are you accustomed to send British manufactures?—I do no business but in banking business, loans, and so forth.

How far can the rate of exchange be affected by operations which do not grow out of regular commercial transactions?—Sometimes a half per cent; I do not think it has any material effect.

To

*N. M. Richardson,
Esq.
18 March.*

To what circumstances do you attribute the rise in the exchanges in the years 1816 and 1817?—A great deal of goods were shipped from this country, and the balance of trade was in our favour; there were no loans or any thing of that kind.

There was no other cause, in your opinion, operating to affect the exchanges in that year?—No.

In the years 1814 and 1815, was not a very large expenditure incurred by the British government abroad?—Immense.

What was the effect upon the exchange of that expenditure?—It lowered the exchange nearly thirty per cent.

What would be the effect upon the exchange, of the cessation of such an expenditure?—A rise of the exchange, which we actually had the year afterwards.

Was not the rise of exchange, which in fact took place in 1816 and 1817, very much owing to that circumstance?—Certainly, because of the balance in trade, growing in our favour, and we did not spend so large a sum abroad.

Have you ever made any estimate of the sums drawn from this country by English travellers and residents abroad?—No, but it is an immense sum, by what I have seen in bills received from abroad.

Can you form any general idea of its amount?—It is not possible.

What do you think would be the effect upon the public of a further reduction of from two to three millions of the amount of bank notes, beyond that which has taken place, it now being understood to be twenty-five millions?—It would make money very scarce, and it will create a great many bankruptcies, and do a serious injury; it will have an effect upon almost every article in this country, if three millions of bank notes are taken out of circulation.

Do you think it would improve the exchanges so much, and reduce the price of gold so much, as to enable the bank to resume cash payments, and to continue them with safety when resumed?—There is no doubt, if money gets scarce it will have some little effect upon the exchange, as well as it has an effect upon almost every article; but whether it will keep the gold in this country, if the bank pay in cash, it is not possible to state exactly.

What would be the effect of such scarcity of money upon the manufactures of the country?—It would be a ruin to the country in my opinion if it is done too fast, if it is done all at once.

Do you mean by ruin to the country, ruin to the manufacturers?—I mean ruin to the country; every one who is connected with any commercial concerns; not the manufacturing alone, but in every branch; it will be like an electrical machine, it will shake every thing.

Would the exchanges be improved by raising the trade of the country?—No; I do not think the exchange will be improved by it.

You have stated that the exchange between Holland and France did not vary more than one and a half per cent up or down, notwithstanding large remittances from Holland, for the purchase of French stock; were there not at that time large payments made from France to the Netherlands, on account of the fortifications in the Netherlands, and the contributions to be paid by France?—Yes, that is all very true; but when the exchange answered, France sent specie to Holland, and again Holland sent the specie to France, it changed hands, when the exchange answered the other way.

Are you acquainted with the plan proposed by Mr. Ricardo for the regulation of the payments at the bank; the principle of the plan being, that after a given period, the bank, instead of paying for its notes in gold coin of this country, shall be obliged to deliver in exchange for bank notes to the value of, suppose not less than £.100, an equivalent value in gold bullion valued at the mint price; what is your opinion of such a plan?—I cannot recommend it, because, in case any news comes from abroad that there is the smallest chance of a war, every one will come at once and take out gold bars; a man may fetch a hundred thousand pounds worth of gold bars out of the bank in five minutes; but if you pay in cash, the bank will find out this, and they must count the cash; and in the course of a short period the government will hear of this, and the bank may be protected.

Are you aware of any other objection to the plan?—There will be many difficulties; besides, a gold bar will be delivered from hand to hand; we will suppose I have to receive from the bank £.100,000 worth of gold bars, I exchange those

bars away to different persons; how many times has it happened abroad that people have gold bars, and on the inside it was silver casted over: you must have a witness to see that every gold bar comes from the bank; there would be so many counterfeits made with those gold bars that the evil would be great: our guineas we can count, and any defects are perceptible; but I do not think this plan will do, there will be very great difficulties in it.

Do you believe that in order to enable the bank to resume cash payments, they must reduce the amount of their paper?—Certainly; I think the bank cannot pay in cash without reducing their paper.

Why must the bank reduce its paper in order to resume cash payments?—Because they have not gold enough in the bank for the bank notes they have out.

How are they to reduce the paper?—If they limit their discounts, then they will have less bank notes out.

How do you ascertain the fact that, previous to the bank resuming cash payments, they would not have prepared a sufficiency of gold?—The bank has out twenty-five millions of bank notes, according to their statement; it is generally reported that there are not twenty-five millions of gold in their coffers.

Do you believe the present circulation to be an extent of circulation which could not be kept up in the event of the bank resuming cash payments?—If they pay in cash certainly they cannot keep so much paper out; if they had to pay in gold they could not keep twenty-five millions of paper out, unless they keep half of that amount in gold, because there might be a run on them.

Do you believe that the amount of paper taken from the circulation would exceed the amount of gold thrown into the circulation, in the event of cash payments being resumed?—In order to get the gold from the continent, goods must be sent from this country at very low prices.

At what time would you recommend that the bank should resume cash payments?—At from two years and a half to three years.

Do you believe that the bank will ever resume cash payments without creating some difference in the prices of all commodities?—Not so much as if it were done all at once; if you give two years and a half to it, it will have but little effect.

In what manner are the gradual preparations to be made for the bringing back cash payments; what is to be the operation performed by the bank?—The bank will gradually purchase silver and gold, and have a good store.

How are the bank to pay for the silver and gold?—In bank notes.

Then there must be more bank notes out?—Yes; that will do no harm for a year or two.

Do you think it a necessary preparation for the resumption of cash payments, that the amount of bank notes should be increased?—No, I do not think the bank notes need be increased: the general report out of doors is that the bank holds some government securities; let the government and the bank go hand in hand, and redeem them gradually every year a little, and then the bank will purchase gold and silver for it and lay that by; and if in case the exchange shall be upon the rise, then the bank can send half a million or a million abroad, which will support it; the exchange will be kept up if there is no war and there are no foreign loans.

Do you mean to send abroad, or send out into circulation in payments?—Abroad; if you go on for two years to two years and a half in peace, and there are no loans, I have no doubt the exchange will come round, and they may then pay in specie.

The amount of the general circulation remaining at its present rate?—Yes.

When you speak of the reduction of prices in consequence of a supposed reduction of from two to three millions of bank notes, what degree of reduction do you allude to in prices; how much per cent do you suppose goods would fall upon the supposition that from two to three millions of bank notes were to be withdrawn?—I cannot tell, for I am no merchant in goods. About a fortnight or a month ago, when money was very scarce, many persons called on me and wanted to borrow money or to have discounts done; there was no sale for goods, and a great many failures have already taken place: now in case three millions more are taken out of circulation, will not that have double the effect; three or four millions have been taken out of circulation before, and the question is upon the further effect.

Speaking of percentage in the prices of goods, what would be the effect of reducing three millions more of the circulating medium?—If a man wants money, I cannot calculate what would be the depression in consequence.

In forming the Prussian loan of five millions, can you calculate what part of those

H. M. Parncliffe.
Esq.

(8 March)

N. M. Folwell,
Esq.
(3 March)

five millions was invested by bullion or foreign gold remitted from this country?—That is not possible; I remit so much abroad, as to which I am uncertain.

Can you state what quantity of bullion has been remitted on account of the foreign loans, through your house?—I cannot tell that exactly.

Has there been a considerable quantity remitted in bullion from this country?—No, mostly in bills, which are drawn on change for coffee, sugar and other commodities.

Have the foreign loans been a great drain for specie?—There is no doubt they have.

Do you know whether a considerable quantity of bullion has gone out of this country on account of foreign loans?—Certainly an immense deal.

Was there a particular demand for gold in Russia, on account of the loan made there?—The gold in Russia has paid from ten to fifteen per cent profit.

Was any considerable part of that gold sent from this country?—No, not so much from this country as from Paris and from Germany.

What effect upon the exchange between Paris and Petersburg had the sending that quantity of gold from Paris to Petersburg?—The premium on gold rose in Paris from one to one and a half per cent.; in Hamburg, about two and a half per cent; in Berlin, two per cent; in almost every place on the continent it improved from one to two per cent.

With what do you compare it; with silver or the price of other commodities?—With silver.

Had that demand for gold in Russia any particular effect upon the price of bullion in the English market?—Yes, certainly; it rose, I believe, about two shillings per ounce; from 81 s. to 83 s.

Supposing the bank had been paying in cash, would not the same rise in the price of gold have taken place in consequence of such a demand?—I think not; because a great deal of our coinage would have gone there.

The price of gold having risen considerably at Petersburg, would not that high price have had a natural tendency to attract gold from all other parts of the world, as to a better market?—When gold was paying so well in Russia, gold went from all places on the continent to Russia, and gold rose in almost every place, in France, in Prussia, in Austria, and almost every where.

Supposing the same thing were to take place again, and there was an extraordinary demand, in Russia that they chose to give a larger price than it was worth, would not that attract it from this country as well as from every other?—Certainly, if you pay in gold, and the Russian government gives a greater price for it, a great deal of our specie will go there; and if you issue your gold at 77 s. 10 d. the people will get more profit by sending your gold than by purchasing it on the continent.

Supposing such a case to arise again, and that the bank were to be paying in cash, would not such an extraordinary demand, and such an extraordinary price abroad, drain us of the gold in circulation?—No doubt it would.

When you speak of the price of gold in Russia being higher, to what is the price in Russia measured?—There are two different accounts which I have from Russia; one account, the Russian Government want to take away a great deal of their paper money; they give for that paper money a public loan which they have created: they say, we will sell our six per cent at 85; we will take for this stock nothing but paper money: this paper money is in circulation there with all the farmers and different people, and those people sell their paper roubles and take specie for them; but the mint takes in the silver and the gold, and coins you silver roubles, and coins you a kind of gold token, and those people take that in payment.

Is the Committee to understand that the price of gold in Russia, to which you have referred, is measured by paper?—The gold and silver are taken to the mint; the mint gives you a receipt for them; the mint makes you so many silver roubles, and so many gold coin, which is actually upon the same rate as the silver roubles; the parties who invest their money in this stock are obliged to make payments to the government for it.

Did the price of gold, as compared with the price of silver, rise in Russia?—I am not a judge of that, for I have no account from Petersburg of the calculations upon this subject, so that I cannot give an explanation.

You have said that you are of opinion, even if the bank did resume cash payments, the demand for gold in this country for Russia would drain this country of gold?—Not of all, but a million perhaps.

Supposing, in consequence of the increase of gold in Russia, £. 100,000 were sent out of this country, would not the consequence be, that the value of the remainder would

would be increased?—No; I think, in case the Russian government want gold, and there was half a million going there, it would depress it a little, but it would again find its level: we have sent a great deal of gold to Russia; the first two voyages answered very well, but the last lot we sent met with a very different market.

*H. M. Ashurst, Esq.
(8 March.)*

In speaking of the investment of British capital in foreign loans, you have stated that an amount of about a million and a half sterling has been invested through your house in the French loans, and the money remitted by you to Paris?—Yes; mostly.

Have you any means of knowing whether any, and what proportion of that sum may not have since been resold by the individuals for whom you purchased it, and the amount again remitted by them to England?—No; it is not possible.

You have stated, that in your opinion the foreign loans could not have been negotiated if the bank of England had been paying in cash?—Not to the same extent.

Does it not follow then that the present restriction on cash payments is favourable to the speculations and objects of those who are now concerned in the negotiation and in all transactions which have reference to foreign loans?—Yes, certainly it is favourable to the contractors of them; if the bank should pay in cash, it will injure the contractors undoubtedly.

At a late period, when France was importing corn, when the vintage was unfavourable, and when France was paying large contributions to foreign states, you have stated that the unfavourable course of exchange produced against France by those circumstances, was necessarily limited by the expense of the transmission of the metallic currency of France to those countries with which she was in commercial intercourse; supposing the resumption of cash payments to take place in this country, and the currency to be founded upon the precious metals, would not any unfavourable course of exchange, resulting from the balance of payments being against this country, be also necessarily limited by the expense of the transmission of the metallic currency of this country to those countries on the continent with which we may have intercourse?—There is no doubt of it; if we send this gold abroad, it will keep the exchanges upon the level.

To what cause then do you attribute the fall in the exchange, between London and Paris for instance, at any period during the last two years, and at present, below what it would cost to transmit the precious metals from this country to Paris, supposing the bank to be open?—First, there were so many travellers travelling on the continent within the last two years; secondly, the importation of grain which we had to this country; and lastly, the loans for Russia, Prussia, Austria and France.

Supposing the expense of the transmission of gold and silver from London to Paris to be one per cent, and the rate of exchange between London and Paris to be five per cent against this country, to what cause do you attribute the four per cent difference between the expense of the transmission of the metals and the actual course of exchange?—The gold when purchased in the market is now 82s; one per cent; freight is 83s; it leaves no profit, it is as nearly the same as possible.

If the bank were now paying in gold, could the market price of gold be any thing like from 82 to 83s.?—No; then the price would be lower.

Could the market price of gold, in fact, ever permanently exceed the mint price?—Yes.

To what extent?—It depends upon the rate of exchange; gold is calculated upon the exchange.

If the market price of gold in this country were permanently to be above the mint price, would it not be the same thing as to say that there would be individuals here who would give more than a pound of gold in coin for a pound of gold in bar?—Yes.

Do you believe that that could permanently take place in this country?—I do not understand the question.

You have admitted that the state of the trade of this country may be such as to require the exportation of a certain quantity of its specie, to keep the state of exchange at or about par; should such unfavourable state of the trade, or cash payments, create the necessity of a considerable exportation of the current coin of the country to keep the exchange at or about par, might not the recurrence of similar circumstances for two or three years together eventually drain the country of its specie?—No; because you may want this only one year; and if in case we keep at peace for two or three years, and no new loans are made, the exchanges will certainly by ordinary exports keep in favour of this country.

Martis, 9 die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

LEWIS LLOYD, ESQUIRE,

Called in; and Examined.

*Lewis Lloyd,
Esq.
(9 March.)*

WHAT is your particular line of business?—A banker in London, and in the country.

Have the goodness to state with what country banks principally you are connected?—I am a partner in a bank at Manchester; and I am agent for a bank at Edinburgh, at Liverpool, at Halifax, at Oxford, at Cambridge, at Bath, at Brighthelmston, at Gresham, and several others.

For what time has that connection subsisted between you and the country banks?—My connection with the bank at Manchester has subsisted for more than twenty-five years; I have been agent for most of the houses I have named for several years.

There is a considerable difference between the circulation of Manchester and Lancashire, and that of other counties, is there not?—In Manchester the bankers never issue any notes of their own, and it is so throughout the whole county of Lancaster, with the exception just now of Blackburn; an attempt is there making to issue notes.

With respect to those banks which are not in Lancashire, have the goodness to explain the nature of the connection between the private banker in London and the banker in the country?—The business of the banker in London is to pay the notes of the country banker for whom he is agent, to accept his drafts and pay them, to execute his stock orders, and do any other business that he may wish to have done in London, in the way of money transactions.

Does not the country banker make a deposit with his London banker?—Certainly, to provide for those payments.

Does the London banker allow him interest upon that deposit?—Some do, and some do not.

In cases where interest is allowed, what is the rate of interest generally?—I believe that varies; our general rule is four per cent.

How does the profit of the London banker arise in those cases in which he allows interest on the deposits made by the country banker?—He does not allow interest for the whole; there is generally a sum set apart as a deposit without interest.

It is from the use the London banker is enabled to make of that, that his profit arises?—That is one way; in other instances the banker in London is paid by the country banker a commission for doing his business.

Do the country banks receive deposits also generally?—Yes, they do.

Do they in general allow interest on the deposits made with them?—I believe the general rule is so; but I believe there are exceptions to that rule.

In what way do the country banks generally employ deposits made with them?—In trading districts the deposits are very much employed in discounting trading bills for tradesmen who keep accounts with the banker.

The country banker is in the habit of reserving a quantity of bank of England notes to answer the demands upon him?—Certainly.

Can you state what proportion the bank of England notes so reserved generally bear to the amount of his issues?—I cannot.

Does it vary with the confidence reposed in the stability of the country banker?—I should think so; but the country bank in which I am a partner never having issued notes, I cannot well speak to that point.

Are they in the habit of holding the notes of other country bankers also?—I should not think they hold them as a deposit, but they frequently must in the course of their business receive them; they would in that case send them to London, or send them to the drawers to be paid; there is very often an understanding between private bankers within a certain circle, that they hold each others notes from coming to London, and exchange them periodically.

Do the bankers with whom you are connected generally issue one and two pound notes?—I believe they do generally.

Have the goodness to explain the nature of the circulation of Lancashire?—It consists wholly of bank of England notes and bills of exchange.

What proportion do you conceive the bank of England notes bear to the bills of exchange?—I have thought the bills of exchange were to bank of England notes as ten to one at least.

For what amount are the bills of exchange generally drawn?—All sums, in proportion to the magnitude of the transaction, from £. 5 to £. 5,000, £. 3,000 and £. 10,000.

What is the date generally?—The most common date used to be, in Lancashire two months; but for many years they have extended the date to three months, and they are now of all dates, from demand to three months, and a longer time.

Are bank post bills made use of in the circulation of country bankers?—They have increased in use very much of late, particularly since the last additions to the stamp duty.

The amount of bills of exchange then has been reduced?—Yes, for small sums; bills of exchange under 20 *l.* have certainly, within the circle of my own connections in Manchester, been materially reduced since the last stamp duty.

Is interest allowed upon the bill of exchange for the time it has to run?—It is the practice in Lancashire to allow interest for the whole of the time.

So that when an article worth £. 10 is purchased, and a bill of exchange to that amount given, with two months to run, at the expiration of it the party selling the article receives the interest in addition?—The banker has only to do with his customer; the customer applies to his banker for such a bill as he wants, the banker keeps a regular interest account with his customer, and the customer is debited only with that bill on the day it falls due, so that he is not charged with interest till the bill is due.

Previously to the restriction on cash payments, did coin form a considerable proportion of the circulating medium of Lancashire?—Certainly; labour and wages were wholly paid in cash.

In what manner are labour and wages paid at present?—In one pound bank of England notes and silver; the two pounds are now withdrawn, at least the bank does not issue any more.

Was it the custom to issue these bills of exchange in Lancashire, previously to the restriction on cash payments?—Certainly.

Were the bills of exchange that were then issued to so little amount as five or ten pounds at a time?—Yes.

So that the coin in circulation in Manchester must have borne a very small proportion to the quantity of circulating medium used in transactions in business at that time?—A very small proportion.

In case cash payments are again reverted to, but with an understanding that the bank should be allowed to continue to issue one pound notes, would not coin form a still smaller portion of the circulating medium of Lancashire, considering the habit which has prevailed for the last twenty-five years of receiving payment in small bank of England notes?—I think they prefer one pound notes very much in Lancashire; there was a time, about a year and a half ago, when coin might have been had in quantities, but they never sought it then, one pound bank of England notes being much preferred.

Then you conceive that if the bank were to issue one and two pound notes, subsequently to the removal of the restriction, it would be necessary for the country banks to retain a much less quantity of coin in reserve to answer the demands upon them, than they were in the habit of doing previously to the restriction?—Certainly, if bank of England notes continue to be as much a tender as they are now.

If bank of England notes were made a legal tender with this condition, that they should be convertible into cash at the will of the holder?—Yes.

Do you think that in that case the quantity of cash which it would be necessary for the country banker to retain, as compared with the quantity of bank of England notes, would be small?—Very inconsiderable.

Is the amount of country bank paper in circulation, subject to great fluctuations?—Yes it is.

Can you state at what period, from your general observation, you have reason to believe it was the highest, and at what period it was the lowest?—I think in the

Louis Lloyd,
Esq.

(9 March)

years 1813 and 1814, the latter end of 1813 and the beginning of 1814, the circulation of country bankers notes was at the highest.

The highest at any period since the restriction?—It was high in the commencement of the year 1810 and the end of 1809.

What was its state in the latter end of 1816 and the beginning of 1817?—Considerably reduced.

Can you give any proportion between the amount in 1813 and 1814, and the amount in 1816 and 1817?—In some instances the reduction was one half of the issues of the banker; it very much depended upon the credit of the banker; the credit of some bankers was above all suspicion, and maintained their circulation nearly at its height.

Was the amount of the issue influenced by the comparative credit or discredit of the parties to whom the country bankers were in the habit of advancing money?—Certainly; the customers of the banker are sometimes in better credit than others; and where they are in good credit, the country banker lends money to them without scruple; but if they are disparaged in their credit, he lends more cautiously.

Do you consider that the amount of country bank paper necessarily fluctuates with the amount of bank of England paper issued?—Yes, I think it must.

Supposing the amount of bank of England paper now in circulation were considered about adequate to the demands of trade, the present amount being about twenty-five millions, and a reduction were to take place to the extent of two or three millions, would that necessarily lead to a corresponding reduction in the amount of country bank paper?—I think it would lead to a more than corresponding reduction.

Supposing an increase were to take place to the extent of two or three millions above the twenty-five millions, what would be the effect of that upon country bank paper; would that lead to more than a corresponding increase?—I think not; other causes would concur with the diminution of bank notes, to lessen the issues of country bankers.

At the period, for instance, of 1813 and 1814, what do you conceive to be the proportion, as nearly as you can guess, between the amount of country bank paper in circulation and bank of England paper?—I have but one way of estimating that, knowing the amount of country banks, and giving to each a supposed base; I should say, in that case, that their issue might be from 40 to 50 millions; I may be very incorrect; I have no other way of estimating but giving to such a number of country bankers a certain amount of issue, as an average issue in prosperous times.

Have the goodness to explain the grounds upon which you form your calculation?—I have known very small bankers have an issue of from fifty to sixty thousand pounds; I have known a small banker in a distant county have such an issue as that, in a place comparatively of no trade, among mere dealers in corn and cattle.

Can you state what were the results of this extensive issue?—It seemed to enrich his neighbourhood and the country about him in all directions.

Does he continue still in that flourishing condition?—Yes; a man of very substantial property.

There have been no failures in the neighbourhood?—None of any consequence; I believe a few of the drovers, at the close of the last war, failed through the fall in the price of cattle.

Does he still retain the same amount of notes in circulation?—No.

What do you suppose to be the present amount of notes in circulation, as compared with that to which you have referred?—His circulation at present is between forty and fifty thousand pounds, I believe.

The amount of country bank paper in 1816 and the beginning of 1817, as compared with the amount in 1813 and 1814, you have stated to be less; what amount do you calculate to have been in circulation in 1816 and 1817?—I can hardly say; I should think it was reduced nearly one-half.

In the answer you have lately given, you have excluded bills of exchange?—I have; I have confined myself to country bank notes.

If you add the bills of exchange to the country bank paper at the two periods, in what way would that addition affect the calculation?—Bills of exchange were certainly reduced materially in 1816 and the beginning of 1817, but in what proportion I am hardly able to say; they were very much reduced certainly.

You have calculated the amount of bills of exchange in Lancashire to bear a proportion of ten to one to bank of England paper?—I have thought so, but that is merely a conjecture.

Can

Can you form any estimate of the amount of bank of England paper circulating in Lancashire?—No, I have no means of estimating that; I know it requires a constant and large supply.

Do you conceive that the issue of bank of England paper leads to an increased issue of country bank paper?—I think the country banker issues his notes more freely when the issues of the bank of England are freely made.

Have the goodness to state in what way you conceive the issue of bank paper facilitates the issue of bills of exchange?—They are much more easily discounted, there is much less difficulty in providing for the payment of them when due; when bank of England notes are issued sparingly they become scarce, and the acceptor of a bill of exchange finds a greater difficulty in providing for the payment of it when due.

Supposing there to be a want of confidence in a certain number of country banks, or failures actually to take place, might not those failures lead to the necessity, in your opinion, of an increase of bank of England paper?—Certainly; it is always required in such cases.

So that a reduction of country bank paper might, and generally does, lead to an increase of bank of England paper?—Certainly; it requires it.

Supposing country banks to be in a flourishing state, and confidence to them to be increased, do those circumstances in your opinion lead to a decrease in bank of England paper?—I think they are less wanted, less required, and I should conclude that the consequence would be that less would do.

Certain documents have been laid before the Committee, with a view to enable them to ascertain the comparative amount of country bank paper in circulation at given periods; the first is, "an account of the number of stamps of promissory notes reissuable, of each class, that have been issued from the first of June 1810;" secondly, "the amount of duties on promissory notes reissuable, distinguishing the rate of duty, and the amount received for each class of promissory notes in each quarter, from the 5th of January 1810 to the latest period to which the same can be made up;" thirdly, "an account of the number of licences for the issue of promissory notes payable on demand, which were granted by, or by authority of the commissioners of stamps, from the 10th of October 1809 to the latest period to which the same can be made up;" fourthly, "an account of the produce of the duties on bills of exchange and promissory notes not reissuable, from the year 1809 to the 5th of January 1810, being the latest period to which the same can be made up;" have the goodness to inform the Committee how far they may depend upon those documents, as affording a criterion to judge of the amount of country bank paper in circulation at the respective periods to which those documents refer?—I think it cannot be a true criterion: a banker may have fifty thousand notes lying by him; his having paid the duty, and having the notes ready, by no means proves that they are in circulation; sometimes there may be a very large amount locked up by him; at other times they may be almost all in circulation; in a time of alarm, he takes care to have as much of them at home as possible; in a time of prosperity and general confidence, he has no hesitation in issuing them on satisfactory security; but as far as I can judge, those returns only show the quantity of notes created by him; they may be all in his box, or they may be all in circulation.

It appears from one of the returns, which is the number of licences for the issue of promissory notes, that the number of licences granted in England and Wales, from the 11th of October 1813 to the 10th of October 1814, was 940; from the 11th October 1816 to the 10th October 1817, it was 752; from so great a difference as that, may not the Committee draw the conclusion that there was a much less quantity of country bank paper in circulation in the latter period?—Certainly.

Would not the average of the number of notes taken out during a certain number of years by any country banker, exhibit as correct a view as could be obtained from the accounts from the stamp office, of the general amount of the circulation of that banker during that period?—It is as correct a view as any return of the kind can give; but certainly there are periods when prudent bankers are anxious to have their notes as much at home as possible.

In the forty or fifty millions of country bank notes, which you state as probably the greatest amount, did you mean to include all that were signed and ready for issuing by the banker, whether in his drawer or in actual circulation, or only those which were in actual circulation?—I conceive that such a sum might be in circulation; I alluded to a period of prosperity.

Can you state the proportion which the reserve locked up in the hands of the

Lewis Lloyd,
Esq.
(9 March.)

*Levee Lloyd,
Esq.
(9 March.)*

banker, or in the hands of his correspondent in London, usually bears to what is in circulation?—No, I cannot.

What is your opinion with respect to the present amount of country bank paper in circulation, as compared with the two periods which have been referred to, namely, 1813 and 1814, and 1816 and 1817?—I think it is less considerably than in 1813 and 1814, but rather more than in 1816 and 1817.

Do you consider it to be increasing?—I do not consider it to be increasing at the present moment.

Supposing there to have been a slow but gradual increase from 1816 and 1817, at what period do you conceive any check to that increase to have taken place?—As far as I can judge, the reduction commenced about midsummer last year, the year 1818; perhaps a little earlier.

What was the effect upon the manufacturing interest of those parts of the country with which you are connected, or concerning which you have had information, when so great a reduction in the amount of country bank paper was made, as that which took place between 1813 and 1814, and 1816 and 1817?—A great deal of embarrassment, a great many failures, turning of workmen out of employment; and in Yorkshire and Lancashire, a great deal of disturbance and confusion.

Was there a great reduction in the prices of commodities?—Yes, certainly.

Can you state any general proposition which the reduction in the price of commodities bore to the supposed reduction in the amount of country bank paper?—No, I cannot.

Have you formed any opinion upon the effect which so great a reduction in country bank paper had on the foreign exchanges?—No, I never deal in foreign exchanges; my experience is confined to inland circulation.

Have you reason to believe there has been a considerable reduction in the price of commodities lately?—Certainly; in some of them the reduction is very great.

Has there been a reduction in the price of commodities as compared with 1816 and 1817?—Some commodities are more reduced than they were then; the article of cotton particularly.

How far do you attribute the reduction in the price of cotton to the reduction which may have taken place either in bank of England or country bank paper, or to the excess of importation?—It is difficult to say what portion of the fall of price belongs to each; but I think if the trade had been in its usual vigour the consumption would have kept a better pace with the importation than it has done.

Has there not been a greater reduction in the price of cotton than of any other article of foreign import?—I believe there has.

Has there been a reduction in country bank paper sufficient to account for the reduction of price in those commodities, the price of which has been reduced as compared with 1816 and 1817?—I am hardly able to answer that question.

To what do you attribute the fall of prices which has taken place in other commodities besides cotton?—In some articles, to an excessive produce of them; but I think it is very much owing to the reduced state of the circulation of the country.

How far do you think the import at the former period may have been affected by too superabundant a supply of circulation, and too great a facility of converting credit into capital?—It is difficult to say how far, but it has had some effect certainly.

The natural consequence of such excess of import would be a stagnation, and a fall of prices?—It would have that tendency.

Have the goodness to explain, with reference to the manufacturing and internal trade of the country, what you conceive would be the effect of a further reduction of bank of England notes, supposing the present amount to be twenty-five millions, and the reduction to take place to the extent of two or three millions gradually within nine months of the present time?—The reduction of bank of England notes that has already taken place has not, I think, produced any thing like its full effect, and a further reduction of them would produce much greater effects than I can well conceive; there is no selling any article at the present moment; there is hardly a sale to be made at any price.

Suppose, at the time that the gradual reduction took place in the total amount of issues, by the repayment of the advances made by the bank to government, there was a gradual increase by the bank of their discounts of good bills, but not to the same extent as the repayment by government, do you conceive that the ill effects which you apprehend from the absolute reduction of the amount, would be counteracted by the increased accommodation given by the bank on discount?—I think not; a bill of exchange is an article in circulation; when discounted at the bank and exchanged

exchanged for bank notes, it is only one circulating article exchanged for another; bank notes issued on government securities are so much in addition to the existing circulation.

*Erskine Lloyd,
Rep.*

(9 March)

Do you think the facility with which the country banker procures accommodation depends upon the total amount of bank of England paper in circulation, and not upon the amount which the bank of England issues in discount?—I think it depends more upon the quantity in circulation; if it is so the market, he can get his bills discounted, not by the bank, but by others, in quantities.

Do you think you can furnish the Committee with a comparative scale of the issues by which they can judge of the amount of issues of the principal country banks with which you are connected, at different periods?—I have not kept any record of the sort, to enable me to form such a scale.

You have spoken of the stagnation of trade prevailing at present; to what cause do you attribute that stagnation?—I think there is a combination of causes which has contributed to it; there is periodically a storm in trade, arising from over-trading and excess of confidence; I think it is very considerably owing to the state of the circulation, the great reduction of the circulation from what it was of late years.

Are the bills of exchange drawn in Lancashire, which form so great a part of a medium of circulation in that district, generally discounted in London?—There is a considerable amount drawn in one town of Lancashire upon another settled in the country; merchants in Manchester, for instance, sell goods to the exporters at Liverpool, and draw upon them, and the bills are settled there, but the principal part are certainly payable in London.

And discountable in London?—Yes.

Is there any difficulty at this moment in procuring discount upon good bills of exchange?—Very great difficulty.

By individual discounters?—There is hardly any to be had but from the bank of England.

Is that difficulty of discount to be ascribed to any want of confidence in the bills, or to the present scarcity of money?—The very best bills cannot be discounted but in small quantities.

How long has that been the case?—It has been increasing for the last six or eight months.

Before that period was there any difficulty in procuring discount?—Any quantities of first rate bills might have been discounted at four per cent.

What is the expense per annum at which bills of exchange are discounted, bills at three months, over and above the actual charge of discount?—I do not think there is any fixed price; brokers fix their own prices arbitrarily; if money is scarce they charge a higher commission, if it is very easy they charge a lower one; if the security is particularly current, that also affects the price, but there is no fixed rule for commission.

Supposing the current rate of discount to be $\text{£. } 5$ per cent, what would then be, generally speaking, the amount of charge in addition to the discount, on the bill being renewed four times in a year?—I never employed a bill broker, and really am not able to answer the question; I have heard of various prices, but I have heard of no regular and fixed price.

Do not the country bankers keep a much larger amount of bank of England notes at a period when trade is in a state of stagnation and prices falling?—They are obliged to do it.

Do the London bankers observe the same caution under similar circumstances?—Yes, they do.

The same amount of bank of England notes being in circulation, under different circumstances, may either be found sufficient or inadequate to the wants of trade?—Certainly.

Do you recollect whether, in the years 1816 and 1817, the fall of prices was greater upon articles of home produce, or upon those imported from foreign countries?—I believe it extended to almost all articles; iron felt it severely, also corn, cattle and wool.

All articles of domestic use?—Yes, they experienced a great depression of price.

Was not the great diminution of circulation in 1816 and 1817, first occasioned by the failure of many country banks and want of confidence in others, and not by a diminished circulation of the bank of England?—It was occasioned by the diminished circulation of the country generally, arising from various causes, partly from the

*Emps. Lloyd,
Esq.*

(9 March.)

failure of country bankers, and the discredit thrown upon them; there was a great reduction in the usual circulation of the country.

Are you of opinion that the bank of England notes are at present more confined to the circulation of the metropolis and its neighbourhood than they were ten years ago, with the exception always of Lancashire?—I am inclined to think they are more confined to the circulation of London.

Are most of the country bank notes made payable in London?—No, there are a great many that are not; perhaps the majority are made payable in London; with the exception of one and two pound notes, they are generally made payable in the country only, but there are many exceptions.

Do you conceive there is any difference, as to the advantage of country circulation, in making these payable in London?—Not having been myself concerned in issuing notes, I am but little able to answer that question; some bankers stipulate very obstinately with their agents in London for having them paid in London; they say they are obliged to keep fewer bank notes at home when that is the case.

Have any alterations taken place in the mode of conducting business by the bankers in London since 1810, which may have led to a greater economy in the quantity of notes kept in their possession?—I do not know that any further modes of economy have been adopted since the year 1810 than existed before; the clearing house is the principal mode of economizing that we then had; that has been of much longer standing; I am aware of no alteration within that period.

You state that you are connected with some of the Scotch banks; do you conceive that the circumstance of the banks in Scotland not being limited, as they are in this country, in the number of partners, affords any additional security to the country circulation of that part of the kingdom?—I should not doubt but it did; they are corporations, all of them.

Are you of opinion that if the same facilities were given in England, the circulation of country bank notes would be placed upon a more secure footing, and less liable to those fluctuations which arise from alarm and panic connected with the occasional failure of country banks?—I think that follows as a matter of course.

Within your experience has any bank circulating notes in Scotland failed?—My experience is very limited; I do not recollect any.

Do you think the circulation of Scotland, in 1816 and 1817, of country notes, was diminished in the same degree as the circulation of England?—Their circulation of notes being confined altogether at home, we see nothing of it; we see nothing but the bills they draw upon us.

Can you give the Committee any information about the wear of the country bank paper; what length of time the notes continue in circulation?—No, I am not able to answer that.

Do you believe that the profits of the country bankers arise principally from deposits, or in a greater degree from the profits arising from the circulation of their notes?—The older and more established houses, I believe, derive greater advantage from their deposits than from their issues; younger houses have but few deposits.

When you state that the amount of country bank paper was diminished one-half between the years 1814 and 1816, do you mean that the banks which did not stop payment, but continued their business, diminished their issues, on an average one with another, to the amount of a half?—I think, when I stated that the reduction might be one-half, I spoke guardedly; some of the most respectable houses had their issues very considerably reduced, perhaps to the amount of one-half.

You mean to include in that estimate the paper of those banks which stopped altogether?—Those which stopped altogether had no further issues; but I mean that those which neither stopped nor were at all embarrassed had their circulation seriously reduced; in some instances I am sure one-half, but I can hardly say that that was general. I am satisfied that the reduction in their issues was very considerable; in some instances one-half, and perhaps that might be general.

You have said that country banks rather reduced their issues from the month of July 1818; have the goodness to state the amount, and the cause of that reduction?—I can only perceive the fact that there was a reduction in their issue.

Did that arise from want of confidence?—I think it arose from scarcity of money; greater applications to them for their notes; and those notes being carried to London, and exchanged for bank of England paper, impoverished the country banker, and he gave facility to his neighbour more guardedly.

Does it happen that when distress or difficulty arises from natural causes, the country

country bankers rather diminish than increase the amount of their notes in circulation?—Certainly.

Has not that the effect of increasing the depression of prices arising from natural causes?—Certainly.

*Lord Lyndal,
Esq.*

(3 March.)

When prices are naturally rising, is not that a temptation to the country bankers to increase the issue of their notes?—They have in such case more confidence in those that borrow of them; they lend their money more freely to them.

In that case, has not the facility of those issues a tendency to increase the prices which are at that time increasing from natural causes?—Yes, I think that follows.

You have said that you believe the facility of discounting bills depends upon the amount of the circulating medium, and not upon the mode in which it is issued?—I stated that the same amount issued upon government securities, and issued in discounting bills of exchange, did not produce the same effect, bills of exchange being of themselves a circulating medium; and when bank notes are given in exchange for bills of exchange, there it is the same quantity in circulation, only changing its character: if I have £. 10,000 worth of bills, I give them up, and get £. 10,000 of bank notes.

Is there not a great number of bills of exchange now seeking discount, which in a different state of things would have passed as a circulating medium, without being offered for discount?—No doubt there is.

You have stated that you are not concerned in the business of foreign exchanges; but you have no doubt occasionally adverted to the market price of gold in this country?—I certainly have occasionally; but my attention has been but little directed to it.

A pound of bar gold, according to our mint regulations, is coined into forty-four guineas and a half, that is at the rate of about £. 3. 17 s. 10½ d. an ounce; if then cash payments were resumed, and the market price of bar standard gold were stated to be 80 s. or £. 4, would not four of our sovereigns, which, according to the mint regulations, weigh from 2½ to 3 per cent more than an ounce, be chargeable at that market rate for one ounce of that bar standard gold?—That is a subject to which I have attended so little, that I would rather not answer the question; I do not pretend to be at home in it.

You have stated that the same amount of bank of England notes in circulation issued on exchequer bills, or on discounts, do not afford the same facilities to trade; is not one of the reasons because bills at three months cannot be discounted at the bank, and because London bills, usually at three and four months, can only be discounted at the bank when they come within two months, and that only once in the week?—That may be a reason; if bank notes are issued on bills of exchange, the bills are due in two months, and recall the notes to the bank.

But if money is plenty in private hands, bills at three and four months would equally find a ready discount?—Yes, they are discounted at twelve months, eighteen months and two years.

A plan has been suggested to this Committee for the resumption of cash payments, which is known by the name of Mr. Ricardo's plan; have the goodness to state to the Committee whether you have formed any opinion upon that plan?—It certainly has appeared to me as unexceptionable a plan as any I have heard suggested; it seems to remove some of the difficulties which would attend a resumption of cash payments.

There has been another modification of that plan suggested, which would have this effect, that the bank should immediately on the expiration of three months commence the payment of its notes in cash, but that they should pay in coin at the market price of gold, and that there should be a gradual reduction of the price of the gold which they should pay, until the market price of gold was reduced to the mint price; do you conceive the adoption of that plan would facilitate the resumption of cash payments?—I have paid very little attention to that, and am not able to give an answer; as to the other, I read the work, and it seemed to me to suggest an ingenious plan to counteract some of the objections which have occurred to the resumption of cash payments.

What is your opinion with respect to the practicability of the resumption of cash payments at the expiration of a year from the present time?—I do not think it is practicable; it may be so in a moderate period, four or five years might do a great deal towards it; but sooner than that, I think it would be a serious and dangerous experiment.

*Lewis Lloyd,
Esq.
(19 March.)*

What would have been the consequences of the resumption, supposing it had taken place at the period before referred to, when you state that in Lancashire there was no preference shown to gold above bank notes?—The preference was then shown to bank notes.

What at that period would have been the consequence of the resumption of cash payments?—There would have been no evil consequences that I know, if things had continued in that state.

Do not you think the resumption must necessarily have prevented that subsequent increase of country bank paper out of which a part of the present difficulties at least must originate; that the resumption would have rendered the continuance much more probable, by taking away the temptation to increase country bank paper?—Nobody considered the flow of cash into this country at that time, as any thing but an incidental matter; they found guineas to be had, bankers offering them to their customers, and they would not take them; if things had continued in that state, it would have been cash payments imperceptibly, but how long it might have so continued, supposing the restriction had been at that instant removed, I am unable to answer.

Do not you think that the importation of gold into this country, was influenced by the same causes as the importation of other commodities?—Certainly; but gold furnished to persons no convenience in the way of their business that they had not from bank notes; and when gold was offered to them freely, they in most instances declined it and preferred bank notes.

Have you a confident opinion that at the period to which you have referred, namely, four or five years hence, cash payments might be resumed with safety to the country?—I must presume a great many favourable circumstances to take place to make it safe; I must presume uninterrupted peace, and a considerable reduction in the public debt, and various other circumstances; and presuming them to be so, I think then it might be done, but I am very little able to form a judgment upon that subject.

To what extent do you think it would be necessary to reduce the public debt, in order to resume cash payments with safety at the period referred to by you?—I know what the public debt was when the restriction bill was imposed, and I know an immense addition has been made to it since; some progress in the reduction of that addition should be made before we return to the standard of gold, which was then exchanged for bank notes.

Do you then mean that the reduction in the national debt should bear any proportion to the amount of the debt which existed at the period when the restriction was first imposed, in 1797?—I do not think it would be necessary to reduce it to that extent, for the country has got infinitely richer, and can bear a greater amount of debt than it could then.

Do you contemplate the necessity of a reduction of the public debt to the amount of £.100,000,000, before it may be safe to resume cash payments?—I can hardly say what sum it will be necessary to reduce it; I cannot say what debt the country is able to bear; it is able to bear a larger debt than when the restriction was imposed, but some serious reduction in my opinion is necessary before that event takes place.

Will you state any reasons that occur to you, which will in your opinion render it safer to resume cash payments four years hence than in the course of twelve months from this period?—Four years hence, if we presume all the favourable circumstances which I have stated to take place, we shall be in a better plight and a better condition than we are now.

These favourable circumstances being a considerable reduction in the public debt?—And the continuance of peace, and an end to the drains of money from this country by foreign loans, and temptations to send money abroad.

What do you consider to be the inconvenience arising from the bank being prevented paying in specie?—I am not aware of any.

Do you mean your answer to apply to the non-payment in specie permanently, or only for a limited time?—I can only say I have experienced no inconvenience, nor do I know any body who has; and if the bank continues to be always conducted as it has been, I do not expect that any inconvenience will arise in future.

SAMUEL GURNEY, ESQUIRE,

Called in; and examined.

IN what line of business are you?—I am a bill broker.

Have the goodness to explain what the nature of that business is?—I am agent in the negotiation of bills of exchange payable in England.

With what country banks are you principally connected?—I am connected principally with the banks in the eastern part of England, Norfolk and Suffolk; but more or less with most other districts in the kingdom, especially Liverpool.

With Wolverhampton, and those parts of the country?—We have a few connections in that part of the country.

Do the country banks with which you are connected, in general issue one and two pound notes?—With the exception of the banks in Norwich, I believe they do; in Lancashire they do not issue any notes at all.

What proportion does the amount of their notes in circulation bear to the amount of their deposits?—I could only answer that from surmise; I should think the notes in circulation were between one-fourth and one-fifth of their deposits, in the county of Norfolk.

Do the banks to which you refer, allow interest upon the deposits?—The banks that I refer to, allow interest upon their deposits; but many of the country banks with which I am connected do not.

What rate of interest do they allow?—Three per cent.

In those cases where the banker allows interest upon the deposits, what rate of interest is generally allowed?—The country bankers that allow interest at all generally allow three per cent, but subject to variations in different districts.

The country banker makes a deposit with the London banker; in some cases the London banker allows interest upon that deposit?—Yes.

What rate of interest does he allow?—Where the banker in London allows interest, he allows four per cent; but I think, equally in that case, the country banker allows three per cent.

Supposing the bank of England were to resume cash payments, but had the liberty of continuing to issue one and two pound notes, do you think in that case it would be necessary for the country banker to retake as a deposit a considerable quantity of cash, as compared with the quantity he retained previously to the restriction, and when the bank of England did not issue small notes?—I think that the country bankers would feel it absolutely necessary in the commencement to have a much larger stock, because they would be entirely ignorant of its operation; from my experience with country bankers, I think that they would be inclined to err on the safe side of the question, till they knew how it really bore upon them; I think they would choose to have a very large stock of specie to begin with.

Supposing this plan were adopted, that the bank of England notes were made a legal tender, and that the country banker were subject to pay his notes in bank of England notes, would not that dispense with the necessity of his retaining in his hands any cash whatever?—That would be a very great protection, of which they would take advantage; but there is a feeling in country bankers that induces them to act handsomely by their customers, and they would hardly like to refuse moderate payments in specie under such circumstances.

In 1816 and 1817, when some issue of sovereigns took place from the bank, and when the market price of gold was below the mint price, did you observe, in those parts of the country with which you are connected, that there was any disposition to give a preference to gold coin over bank notes?—I do not think they ever got into circulation in the country, never into the county of Norfolk; it was, in fact, a favour to get one to be looked at.

In London did you perceive any disposition of that kind?—No: upon the same ground you might have got five as a favour from a banking house; but they never got into circulation, consequently no banker felt his credit involved in having them; I will venture to say there never was a payment of twenty pounds made in them by the bankers in the city, except as matter of favour.

Are there not great fluctuations in the amount of country bank paper?—There have been very great fluctuations.

Since the Restriction Act, at what period do you conceive the amount of country bank paper in circulation to have been the highest?—I should think in the years 1813 and 1814, and afterwards in 1815 and 1816, during the latter part of the war.

The highest in 1813 and 1814, and then the lowest in 1816 and 1817?—From what

Samuel Gurney,
Esq.
(19 March.)

Samuel Curney,
Esq.
(9 March.)

what I have seen of the funds of the country bankers, I conceive they got low in 1815, and higher again in 1817 and 1818.

Supposing you were to make the best estimate of the general amount of the whole country, founded on what you know of the county of Norfolk, what should you say?—Founding it upon that, which cannot be reckoned very certain ground, I should think it was not far off thirty millions at the highest point.

Is this answer founded on fact?—There are eleven banking establishments in the county of Norfolk.

Do you think the extent of the reduction was to three-fourths or two-thirds; or what was the difference, do you think, between the highest and the lowest amount, supposing the highest amount to be thirty millions?—What I have been enabled to see, so entirely includes the deposits in country banks, as well as their circulation, that I doubt whether I could give a certain answer to that. In the year 1815, there was a very great reduction of all the funds of all the country banks in this nation.

Cannot you draw a distinction between the amount in circulation and the amount of deposits in their hands?—I can draw a distinction, but as to the extent of that distinction two years ago, I do not think I can give an opinion now.

Four papers having been shown to you, which have been furnished to the Committee, to enable them to form an idea of the comparative amount of country bank paper in circulation; how far do you conceive those documents may be relied on, as offering such a criterion?—In looking them over, from what I know of the funds of country banks at the several dates, I think there is some reliance to be placed upon them.

In what manner do you consider the amount of country bank paper to be influenced by the reduction or increase of bank of England paper?—I think that an increase of bank paper would produce an increase of country bank paper, because an increase of bank paper gives such a facility to the payments of the kingdom that the transactions become larger in consequence, and by that means a greater circulation is required in the country, as well as a larger circulation being in London, which by the same rule operates in a contrary manner upon a decrease of bank paper.

Supposing a reduction were to take place in the amount of bank of England paper below the present amount to the extent of two or three millions, that that reduction was gradually made, and during the period of nine months, would that reduction, in your opinion, necessarily lead to a corresponding reduction in country bank paper?—I think it would.

What do you think would be the effect of such a reduction upon the manufacturing interest of the country generally?—I think it would cramp their exertions very materially.

Supposing the reduction was to be effected in this way, that the government should repay to the bank six millions of the debt due by the government to the bank, which would have the effect of reducing the issues of the bank to the amount of six millions, supposing that were to be partially counteracted by an increase of issues of the bank on discount to the extent of three millions, would that increase of issues upon discount tend materially to lessen the evil consequences which you apprehend from the total reduction in the amount of issues?—I think it would somewhat lessen the evil consequences, but not in proportion of as three is to six. I think such a reduction would be very distressing, if not ruinous; the increase of circulation of £3,000,000, as proposed, from the discount of bills, would not be so generally diffused, consequently beneficial, as from any other source. Neither, I apprehend, can so precise an arrangement be made in the discount of bills, because it must depend upon many contingencies over which you cannot place any control.

Do you think the consequences of the reduction supposed in the bank of England paper, and the corresponding reduction in country bank paper, would be a general reduction in the prices of commodities?—Certainly.

Do you think the reduction in the prices of commodities would bear an exact proportion to the reduction in the amount of issues of the bank of England, or would exceed it?—I should think it would exceed it, from the point at which the circulation now is: the reason I should give for that would be this, that there has been, as we all know, a great reduction of the circulation of the bank; it has produced considerable distress, more especially in the city of London; it has produced a great stagnation in commerce, but still we get on with tolerable facility; though a vast number of people have been ruined by the change. I think if it were to be reduced by the means alluded to, the difficulties that it would create would be so great that it would act in a greater proportion than it hitherto has done. The scarcity of the circulating medium has been a great evil; but I think if it were much reduced beyond this point, the difficulties it would create would be very alarming.

General Currency,
Exp.
(3 March.)

Are you aware that there has been no reduction of issues of the bank of England within the last fortnight?—Yes; I should think from what I have seen in the city, and judging from what I know of my own business, that the circulation had rather increased than diminished within the last ten days; the greatest pressure we felt at all, was at the latter end of the week before last; money has not been so scarce this week as it was before.

Do you attribute the present stagnation of trade, and the reduced demand there is for commodities, to the reduction in the circulating medium, or to the consequences of over-trading in former periods?—Both united, bearing their equal proportion.

As you admit one of the causes to be over-trading, to what do you attribute the over-trading?—I should say, that the circulation of the bank, a year and a half ago, was as much too high as it may be too low, producing the effects to which the question alludes.

How is it possible to accommodate the circulation of the bank to the natural demands of commerce, except by making that circulation convertible into coin?—I should answer that by saying that we have had a circulation, answering the purposes of commerce, without having it convertible into coin, and as far as commerce is concerned, we have gone on prosperously.

During that period, you admit that there has been occasionally an excess of circulation?—In the years of 1817 and 1818 only.

And you attribute subsequent stagnations of trade to the consequences of that excess?—I attribute such stagnations, in great measure, to the sudden reduction of such a high circulation.

What security can there be, provided the restriction is continued, against future excess and against the consequences of such excess?—By government omitting to borrow more from the bank of England.

You think that the principles on which the bank regulate their issues do not afford a security against an excess?—I will state my views of the principle: the principle hitherto has been partly by loans to government, in which I should include the exchequer bills they hold, and partly the commercial bills which they discount and the bullion which they buy, which I should think was as sound a principle of circulation as in the circumstances of the country we could have had; if we rely entirely upon either source, it would admit of many objections, and as we relied too much on any one source, those objections became prominent, and the security against too great or too small a circulation injured.

Supposing the necessities of the government to increase, and the bank to have their notes in proportion to those necessities, do you conceive that that will afford any security that there might not be a great excess of circulation?—I think such an arrangement would produce an injurious excess; neither do I know of any principle that would check such excess, but what would be infringed upon by such an arrangement.

To what do you attribute the excess of circulation, in the period to which the questions have referred?—The excess at that time I presume was owing to the debt from government being too large, and being represented by this circulation; consequently the bank had not any means of reducing it, except by what they paid off by the issue of sovereigns, and by what government did pay them off.

What is the criterion by which you determine that at any certain period there is an excess of circulation?—When in my business I find difficulty in using the money that comes to me from my various connections, and for a considerable period.

Do you think the consequence of that excess was that persons were induced to enter into speculations, which there was no reasonable ground to expect would prove profitable?—I think there was a reasonable ground to expect they would be profitable, provided the circulation had remained at that same pitch; but the diminution of the circulation operated against their speculations: but I hope I am not misunderstood, that though I fully think the circulation was so high as to run many into considerable difficulties, yet I think now it is too low; there is not that facility in the city which is beneficial to the fair trader.

Do you conceive that the difficulty arises from the long habit which has been indulged in, of an abundance of paper?—I think partly perhaps from the habit alluded to: but when I am in that situation in my business, that if I want to borrow £. 10,000 till the following day, (a situation, from the wants of others, which it is my business to supply, I am frequently placed in) I cannot do it; that there is not a banking house in London that will part with £. 10,000 till the following day; then I say there is too little of the circulating medium in the city; this has been the case several times lately.

Must not the consequence of a reduction of the circulating medium at any period, be a diminution of the profits of those who have entered into speculations, not anticipating

*General Gurney,
Rep.
(3 March.)*

anticipating such reduction; and consequently, to that extent, must they not be productive of embarrassment to trade generally?—It must produce that effect; and to a certain point, a very wholesome effect to be produced.

Therefore, supposing the amount of circulation was increased above the present amount, and at some future period it should be deemed necessary to resume cash payments, and in order to resume them to reduce the circulating medium, a part of the effects which have been produced, and under which we are now suffering, must inevitably be felt at that period?—If the resumption of cash payments renders it necessary materially, as a previous step, to reduce the circulation of the bank of England, I should certainly say the position stated is very sound; but whether that is the best way of resuming cash payments would be a very great doubt, because it throws the city, and consequently the country, into a state of considerable alarm and agitation.

Do you think there could be any security for the continuance of the cash payments while the market price of bullion was considerably above the mint price?—I should think there could not.

Do you think there could be any way devised in which the market price of gold could be maintained at or below the mint price, other than the reduction of the paper circulation of the country?—I cannot with certainty devise any plan; but that it may get to that price would depend upon many circumstances not easily controlled, for instance, the decrease of the demand for gold for foreign countries, which has been we all know unusually great: the purchases in foreign funds have been carried to a great extent, but I should doubt whether they would go on to the same extent, because though most people are willing to have a little money ventured in a foreign country, they will not go very far, and most, as a very great many, have that little already so invested; I think also, the very great and gradually increasing wealth of this nation would tend to that result, if not checked by a too great reduction of the circulating medium.

Do not you think the price of bullion in this country is affected in the same manner with the prices of other commodities, by the increase or diminution of the paper circulation?—I should think that it was; but however the principle would operate generally, any one article of commerce will also be operated upon by many other causes, independent of the circulation; that is to say, one article may be very high during a diminished circulation, if there is a much less supply than there is a demand for it.

Other causes which affect the price of the article, operating at two different periods to the same extent, must it not follow that a reduction in the amount of paper circulation, will infallibly lead to a fall in the price of gold?—I think it would.

Although then the reduction of paper circulation might not necessarily, in your opinion, lead to that fall in the market price of gold which you consider essential to the resumption of cash payments, can you suggest any other mode than the reduction of paper circulation, which will effect a reduction in the market price of gold?—I cannot suggest any other plan; but I think many causes may subside that have created the advanced price of gold, and that many may arise that will tend to that result, as I have stated more particularly in a former answer.

Are not the fluctuations in the prices of commodities, consequent upon the fluctuation in the amount of the circulating medium, productive of great embarrassment and uncertainty in all commercial transactions?—If the exchanges are not very great, I do not think that it has a very embarrassing effect, as to a mere change of price in the different commodities in which the commerce of England consists, because the dealer in any given article rather likes a varying market to a certain extent, because he foresees these alterations and takes advantage of them.

Does not he like the variation to be on the increasing side?—Not always.

Do you think it would be desirable to continue indefinitely the suspension of bank payments?—I should think it very undesirable.

What would you suggest as the best plan of effecting the resumption?—I should think, if it were put off to a reasonable period, and we continued to have a prosperous trade, which we should have with a liberal, but not an immoderate circulation, and we were blessed with favourable harvests, with the very great and increasing wealth there is in this country, it is highly probable a little more time might produce a result that would enable us to resume payment in specie.

What should you call a reasonable period?—I could not state a period with any degree of certainty; but I think that in two or three years we may see a very great alteration in this country, if we are not too much cramped in our commerce.

Supposing it were put off to the expiration of such a period as you have named, what

what security would there be that there would not be in the interval such an increase in the paper circulation of the country as would produce, by the necessity of its reduction at a period when cash payments were to be resumed, precisely the same consequences that now result from the reduction of bank of England paper?—But the security must be in the wholesome control of government, united with good management on the part of the bank directors. It is my opinion, that if the circulation of the country is very much reduced, and that system is pursued in order to return to cash payments, I do not believe the point will ever be gained, because it throws at least the commercial part of the country, of which alone I profess to know much, into that sort of difficulty that I am satisfied it would be materially injured; and the injuring the prosperity of the country, I do not believe to be the right preparation for so strong a measure as the resumption of cash payments.

Samuel Garrett,
Esq.
(13 March)

As an abstract question, do you think it most desirable that cash payments should be resumed within a reasonable period?—I think it is most desirable.

Do you think the present amount of circulating medium too low?—I think it a little too low.

Supposing the period for the resumption of cash payments were postponed for three years, do not you think the paper circulation would materially increase in the interval?—I should be sorry to see it increase in that three years much from the present point, though I should be glad to see it increase a little.

As it would be the interest of all parties from whom that paper circulation emitted, to make it as great as possible, what would be the security that before the period arrived for the resumption of cash payments, there would not be that excess of circulation which you admit existed in the years 1817 and 1818?—I conceive, if the bank did not make further advances to government, the circulation of the bank would not have that increase that is alluded to; but particular payments in the city might cause a larger discount at a particular time, but it would not be a permanent circulation; for when the circulation was so high, the bank had hardly any bills sent in to discount; other discounters will always be served with bills when they want them, before the bank of England.

Did not the small amount of bills sent for discount to the bank arise from the great amount of issue which was out upon government security?—Certainly.

Suppose then the amount of issue upon government security was diminished, would not the applications for discount increase?—It would increase certainly, and has increased with the reduction: when there was a large circulation a year since, we were very glad in our business to discount bills for our friends at four and a half per cent interest; consequently nobody would, without a charge of commission, send them to the bank, and pay them five per cent.

Do you think you could furnish the Committee with a comparative scale of the amount of issues of the different country banks with which you are connected, at different periods, not showing the actual amount of their issues, but the relative amount at different periods?—I have no doubt that most of the country banks with which I am connected would give the Committee, through me or directly, any information of that sort which the Committee wish to have.

[The Witness was requested to procure the same.]

Do you think, from a scale so furnished by these banks with which you are connected, the Committee might form a judgment of the average reduction or increase of the country bank paper generally, at the periods to which the scale might refer?—I doubt whether it would afford a certain criterion, because the banking business is very different in different parts of England, the circulation in different parts depending on different considerations: for one or two years the circulation of the country was very generally reduced: there was one year in which the pressure for money was greater in the city of London than to any that ever I experienced, and throughout the year, and I observed the balances of all country banks were reduced at that time; it was in the year 1815.

Did you ever observe what effect the circulation of country bank paper had on the foreign exchanges?—No, I never did; perhaps that is saying too much, for I lately observed the exchanges were the highest, that is the most favourable, during the great circulation of bank and country bank notes; and what is very singular, have been gradually falling as the bank circulation has been diminishing.

Was not the country bank circulation small at that time?—No; when the bank circulation was the highest, the country bank circulation was so also: the foreign exchanges were then what would be called the nearest to par with this country, at

Samuel Gurney,
Esq.
(9 March.)

least the exchange between Paris and London; the exchanges are operated upon by many different causes, and the depression perhaps has been owing partly to the investments in foreign stock.

At what precise period do you apprehend the country bank circulation to have been the lowest?—I should think the country bank circulation was the lowest about July and August, in 1815.

At what period did it recover?—It recovered gradually from the commencement of the year 1816.

Was it very low, compared with other periods, during the latter part of 1816 and the commencement of 1817?—I think it was gradually getting up during that period.

Was its total amount low, compared with the year 1814?—I think it was much lower the whole of 1815.

Was it lower than it is at present in 1816?—I think rather lower than it is at the present time; but in the year 1815 there was a greater proportion of the bank of England paper in the country than now, in consequence of so many of the country banks failing, and many others were run upon, and their circulation was displaced for bank of England circulation.

Has the business of your house, as bill brokers, increased since the year 1816?—Yes, very much.

Do you consider that increase to have been from the increase of your connections with the country bankers or others for whom you are agents, or from the general increase of discounts?—From both; our business has very much increased since the peace; with the increased circulation, we got into a very extensive business indeed, but with the reduction of circulation which has taken place within the last nine months, I should think our business has been reduced one-sixth or perhaps one-fifth in consequence, and I am satisfied it has operated at least in the same proportion on others.

At what rate of interest?—We lend our money generally at five per cent; but in some instances we were obliged to lend it lower, but only for a short period.

Was it the necessity you were under of unwillingly lending part of your money on fluctuating government securities, because there were not sufficient bills offered for discount at four and a half per cent, which induces you to think that there was an excess of circulation of paper of the bank of England at the period in question?—That is one reason that induces me to think so; but the most substantial reason that I can give for thinking there was an excess, is, that all the great bankers and dealers in money in the country, found very great difficulty in using their money at all; they had such an abundance of bank notes always in their drawers, they could not use them.

Should you think there was any excess of circulation, if good mercantile bills could be discounted at less than five per cent?—No; I should think there was no excess, while good mercantile bills could be discounted at or near five per cent.

Was it the practice of any other houses in the same line of business with yourself, to discount at a less rate than four and a half per cent?—It was never a general practice, at less than four and a half per cent; we were sometimes obliged to take in bills at four per cent, from the general abundance of money, but it was from other bankers rather than from our immediate principals.

Were you ever placed in the same situation before, as that in which you stood last year, of not having good bills of exchange, even at a rate of interest below the legal rate, sufficient to employ your money?—We were never so situated before.

Did you ever discount a bill so low as four and a half per cent, without the commission?—Never, during the war.

Speaking of the period before the war?—Our house has not been established so long as that; but I have heard it used to be done in former years.

When you were reduced to discount at four and a half per cent, did the banks with which you are connected as agents make any alteration in the interest they allowed upon deposits?—The large concerns with which I am connected in Norfolk, did not.

If the same abundance of money had continued, it would have been a matter for consideration?—It would have been matter for consideration.

Have deposits in the banks with which you are connected, fluctuated very considerably since the peace?—Yes.

At what period were they the highest?—Last summer; I do not think, in the county of Norfolk, they have been reduced at all.

Are they diminishing now?—I should think not; but if the county of Norfolk is particularly

particularly pointed at, they are increasing; but that is a regular increase, owing to the period of the year to which they always increase.

Were the bills drawn upon houses in London?—The bills were chiefly drawn upon houses in London; but the bills that we discount are not confined to bills on bankers, they are drawn on houses in London, or houses in the country, payable in London; but that is a sort of bill we do not much condescend.

What is the greatest length of time at which you discount a bill?—We discount bills which have two or three years to run sometimes; there are very long bills drawn in particular lines, but we do not often discount bills which have longer than a year to run; in some trades they draw regularly at twelve months, in others at six, in others at nine, in others at three and four; the bank of England never discount beyond sixty-five days.

Do most of your bills exceed sixty-five days?—No, the larger proportion I should think are under sixty-five days; but we never look to the length of a bill, only to the quality.

The Lancashire bills are generally bills at three months?—The Lancashire bills are generally drawn at three months.

If a Lancashire bill is renewed four times in the year, the rate of discount would, with the commission, be five and a half per cent?—It would.

You have stated, that in consequence of the late reduction in the amount of bank of England paper, several persons in the country have been ruined?—A great many.

Are the persons so ruined of that class of persons possessed of any mercantile capital, or are they persons supposed to trade without capital, and belonging to that class generally understood by the name of over-traders?—I should think that they were all over-traders, but many with solid capital in their concerns this time last year.

Does not over-trading oftentimes produce an accumulation of goods in the hands of the traders, which they experience a difficulty in selling without considerable loss?—It certainly does produce that at times.

Does not that state of things produce what is called a scarcity of money?—I do not think it does, because I have known money abundant, but considerable failures taking place, and from the cause now mentioned.

You have stated that you judge of the scarcity of money oftentimes by being unable to obtain from bankers in the city of London, a loan of ten thousand pounds for the succeeding day; when you apply to a banker for a loan, it is at an interest not exceeding five per cent?—Yes, under those circumstances.

Does it not often happen that bankers have an opportunity of making considerably more than five per cent, by lending their money upon stock in what is called continuation?—They do it when they can, but there has not been any opportunity till within these last few weeks for them to receive that advantage.

When that opportunity offers, may not that account for your inability to obtain loans from bankers at five per cent?—It certainly produces that inability; but it should be recollected that the circulating medium in the city is in the hands of the bankers, and though there is that operation to which the question alludes, it does not diminish or increase the circulation at all; they equally have it in their own hands in the afternoon, some may have it, though others may part with it; it is an operation by which large sums are drawn from the market in which I am, into the stock market.

You mean that it produces a scarcity of money in that particular district which belongs to your own line of business?—Certainly it does, but it is owing to a scarcity in the other markets at the same time; that market having the power of paying more interest for money than we, when they want it, they of course get it.

You have stated, that in the event of the resumption of cash payments, you think the country bankers from a high feeling would be induced to keep a very considerable quantity of cash ready to meet the demands of their customers in the first instance; supposing that one pound notes continued in circulation, and to be made legal tender for the discharge of the country bankers notes, do you think it likely that the people in the country would be desirous of furnishing themselves with any considerable quantity of cash, in preference to one pound notes?—I think that would be a very great relief to them, but that they would still be desirous of holding a considerable amount in cash.

Do you think the public at large would be desirous of possessing themselves of cash, in preference to one pound notes?—To a certain degree they would, but I should think not to any very great degree; it would more act as a subject of precaution on the part of the country bankers than what they might absolutely want: I think many people would wish to have guineas under any circumstances.

James Gurney,
Esq.

(5 March)

*Annual Currency,
Esp.
(18 March.)*

In the year 1817, when there was an abundance of cash in the hands of all the London bankers, was there any desire manifested on the part of the public to prefer cash to bank notes?—I do not think there was: in regard to a question which has been put to me, as to the desire the public would manifest to take a specie circulation were the door opened, I think if they had that desire, it is very much increased by the present state of the circulation of silver; if they had now great facilities in getting silver in case they wanted it, I think that it would tend to satisfy that feeling in their minds. Now there is great difficulty in the silver circulation, particularly in some parts of the country: the bank of England, instead of opening their doors liberally even to their natural channels, the bankers, do not do it; if they ask now for £5,000 worth of silver for their wants or those of their country correspondents, the bank will let them have £500: this all keeps alive the desire to get possession of specie; it rather discredits the bank note in their view.

In your opinion there is a want of silver in the country?—Yes.

Jeux, 11^e des Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

ALEXANDER BARING, ESQUIRE,

A Member of the House; was Examined.

*Alexander Baring,
Esq.
(11 March.)*

ARE you in the direction of the bank at present?—No, I am not; I have been out of the bank direction for the last two years.

For what period were you in the direction of the bank?—For about ten years antecedent to the two last. I know nothing of the present position of the affairs of the bank; and am quite unable to speak as to the opinion of the court of directors.

Do you think it would be practicable for the bank to resume cash payments at the expiration of twelve months, from the present period, with a prospect of being able to continue them?—I should say, Certainly not.

Have the goodness to state, what in your opinion are the impediments in the way of the resumption at the expiration of that period; and in what manner an attempt to effect the resumption, would operate upon the commerce and internal concerns of the country?—The resumption of cash payments can only be effected by drawing bullion into the country, by a reduction of the issues of the bank. I cannot think that the bank could pay in specie, with any expectation of continuing in that state, until there was a considerable portion of specie already in the circulation of the country. I apprehend, that by no process, even if the effects of any sudden reduction of issues were totally disregarded, could the sum necessary for the purpose be brought into the country, within the period mentioned. I am further of opinion, that the operation of reduction necessary for the purpose I have mentioned, must always be accompanied with some restraint and inconvenience to every branch of industry in the country; and that if it were forced, with a rapidity at all approaching to what would be required for the payment in the course of a twelvemonth, the injury would be intolerable; the reduction of paper would produce all those effects which arise from the reduction of the amount of money in any country; an effect which I think is well described in Mr. Hume's '*Essay on Money*.' The consequences of a contraction or expansion of the amount of money in a country, seem more felt during the progress of such contraction and expansion, than from any positive amount of money at any one given period. It is not, in my opinion, of great importance, what amount of money may exist in any country; but that the question, of whether it is on the increase or decrease, is one of great importance to every branch of its industry. Besides the difficulties that would attach to its reduction in England, there are circumstances in the general state of Europe, which would materially increase them. Some of the principal governments of Europe, more especially Austria, Russia, and Denmark, are now occupied with substituting a metallic for a paper currency which the necessities of the war imposed upon them. The silver of Europe has, for the last two years, been draining, in large sums, towards Vienna and Petersburg, at the same time that the Spanish colonies afford a smaller supply than usual, owing to their present distracted state. I should apprehend, therefore, that a considerable change is likely to take place in the value of money throughout the world; and that in the same manner that the working of the mines of Spanish

America, and still more the extensive use of paper money, have gradually depreciated the value of money every where; that the dismission of paper from its use, as a medium of circulation, to the extent that it is now wished to carry it, in different parts of Europe, must produce the contrary effect of enhancing the value of money.

Putting out of consideration, for the moment, the embarrassment it might occasion, do you think it is in the power of the bank, by a reduction of their notes, within twelve months to restore a favourable rate of exchange, and to reduce the market price of gold to the mint price?—I think it certainly would be, and even at a much shorter period, if the consequences were disregarded.

Do you think that the foreign exchanges, and the price of gold, are directly affected by the increase or diminution of the paper of the bank of England?—I have no doubt of it whatever; and if it were not possible to carry bullion to the mint, I have no doubt, that by a contraction of issues, the bank note may be carried to almost any extent of value. I should wish to explain, that I do not mean that the exchanges will always be affected in exact proportion to any increase or diminution of the amount of paper; on the contrary, sometimes, the circulation of the country might require, without depreciation, a much greater sum of bank paper than it might at others; but of the general principle, that the foreign exchanges and the price of bullion, are regulated by the amount of the issues of bank paper, I can have no doubt.

When you speak of increase and diminution, what is the point which you assume as that to which you refer the relative terms increase and diminution?—I mean that every country requires a certain amount of currency, and that the moment there is more of that currency in any country than is so required, it goes abroad, if it is useful for the currency of any other country, or for any other purpose; and that it shows its excess in depreciation, if it is of a material which has no value beyond the country in which it circulates.

Taking the case of a country whose circulation consists of paper not convertible into coin at the will of the holder, do you think there is any criterion by which we can determine, at a given period, whether the amount of the circulating medium at that period, be proportioned to the natural demand of the country for it?—I know of no other criterion than the proportion in which it may stand to the coin which it represents.

Have the goodness to state what measures have been taken by the countries to which you have referred, for the purpose of being enabled to revert to a metallic currency?—In Russia, after the war, the paper money in circulation amounted to about eight hundred millions of roubles, the revenues of the country furnish a surplus of about thirty millions of roubles yearly, which have been applied to the destruction of this paper currency, which is government paper: Russia has besides made considerable loans, and has received a large amount of subsidy from France; I should suppose that since the period of reduction of its paper has commenced, about a hundred millions of roubles, or one-eighth part, has been destroyed, and it is a singular coincidence in favour of the opinion of the value of the paper conforming itself to its amount, that the exchange of Russia with foreign countries has improved, as nearly as possible, to the same proportion, namely, that the rouble, which was at about 10*d.* is now at about 12*d.* I should think the amount of gold and silver imported in Petersburg within the last two years, is at least £10,000,000 sterling: in Austria a considerable reduction of paper has been made, though I do not exactly recollect to what amount, and a very considerable improvement in the value of the paper has in consequence taken place; the resources with which this has been done have been partly by a surplus revenue, partly by loans, and partly by subsidy received from France; I have no correct information on the subject, but I should estimate the gold and silver, but it has been principally silver, which has been carried to the mint at Vienna, to be also little short of £10,000,000 sterling: the drains both for Petersburg and for Vienna, have produced a great scarcity of silver on the continent; Denmark is also in a course of getting rid of its paper to the extent of about three millions and a half sterling.

Have any attempts been made at the same time by the United States, to revert to a metallic currency?—The suspension of metallic payments in America was but for a short period, and never sanctioned by law, and only in a portion of the country the banks have returned to payments in specie, and have imported considerable sums of gold and silver into America for that purpose; I do not know exactly to what amount, but it has been considerable.

Have those judicious efforts, on the part of the powers to which you have referred, to revert to a metallic currency, in any way, diminished the circulating medium of France, by the demand for gold?—In France, it appears by the report of the

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minister of finance, that there has been carried to the mint in France, in the sixteen months preceding the 31st of December last, gold to the amount of 125 millions of francs, and silver to the amount of a little more than 3 millions; of that gold, upwards of three-fourths was in coin from this country, and this operation has continued during the present year, though the amount of the importations of this year has not been reported; France has at the same time undoubtedly exported very large amounts of its silver coin to America, but more especially to Germany, and through Germany to Russia; in general owing to a want of banking establishments, the coin in France is in greater abundance, in proportion to the means of its circulation, than in almost any other country, and it may yet be able to spare a considerable portion of it for the circulation of the rest of the world, if the system of banking and credit which is growing, shall make further progress. In the course of the last year, considerable difficulties existed with the bank of France in its payments, arising from an imprudent issue of paper, at a moment when the contributions paying to foreign countries were operating, these circumstances brought the amount of specie in the bank from 417 millions, at which it stood in the summer of last year, to 34 millions, to which it was reduced at its lowest; in the course of the winter, the bank fearing an entire drain, drew in its circulation, which produced very considerable distress in Paris, and all over France, but it recovered its bullion, which was when I left Paris, again nearly at 100 millions.

Do you consider that, during the interval to which you have referred, there has been any drain upon the metallic currency of France which has produced that which is called a scarcity of money, or that there has been any sudden and considerable fall in the price of commodities in France, in consequence of the increased value of the metallic currency which remains there?—The effect upon prices of commodities generally, shews itself slowly; but I am not aware that any such change is perceptible; I think it doubtful whether upon the whole, though the amount of specie in France has probably diminished during the last year, whether from the increased credit and confidence which exist in the country, its present amount may not be quite as great in proportion to what may be required for the circulation as it was formerly; the greater security which is now felt under a constitutional government has certainly occasioned considerable economy in the use of money.

Supposing this country to have resumed cash payments, and the resumption to have been in operation a year before the attempts on the part of the foreign powers, to which you have referred, to revert to a metallic currency, do you think in that case there would have been any such exportation of gold from this country as has taken place under the circumstances in which we are at present placed, or that there would have been any drain upon the metallic currency to an inconvenient extent?—I think there certainly could not.

Would not this country require a much smaller proportion of metallic currency, when compared with the extent of her commerce and the number of internal commercial transactions, than would be required by the foreign states to which you have referred?—Certainly, much smaller than any state, with the exception of America.

On what ground do you make an exception in favour of America?—Because the system of a paper currency has been carried to a greater extent in America than in any other part of the world; and from the want of any good coins the circulation of specie, even under a liability to specie payments, is very small in America, the coins of all the world are legal tenders at fixed rates; and therefore it is very inconvenient and almost impossible to use coin in the common retail transactions of life; for the same reason, I should suppose, that in this country a new and perfect coin like the sovereign would be used in common circulation to a much greater extent than the old guinea, of which so great a number were under their standard value.

Can you form any estimate, however general, of the quantity of gold coin which would be required in the circulating medium of this country in the event of the resumption of cash payments?—It is difficult, indeed impossible, to form any accurate estimate of such a circulation in any country; I know of no means by which it can be ascertained; but if I were to guess at the amount I should think, that with a new and perfect coin such as the sovereign is, which in my opinion would exclude most of the one and two pound notes whether they were by law excluded or not, the amount of such a gold coin could not be much less than from forty to forty-five millions; at the same time I have no data upon which to ground this opinion; I should think, however, that a very large amount of the old coin could, by reference to the public mints of foreign countries, be traced abroad; the amount of gold and silver circulating in France is estimated by the best informed persons at

about

about 1,400,000,000 of francs; but this again forms no criterion of judging what would be wanted for this country.

Though it will be impossible for you to form any exact estimate of the amount which would be required, do you think it would be such as to make it exceedingly difficult to accumulate it within the period of two or three years from the present time?—I do not mean that the whole amount would be required before specie payments could be undertaken, but I should think that they could not be safely undertaken with much less than half of that amount actually in the country, which the circulation of the country would ultimately absorb, as it is evident, that notwithstanding it is to be brought into the country in a great measure by making money scarce in the country, or, in other words, by contracting the issue of paper, yet as an equivalent must be given for it, it must take a considerable time to bring it in; what time would be sufficient, must depend upon a variety of circumstances which it is impossible to foresee; but in my own opinion, without great pressure upon the country, in less than four or five years we could hardly expect to make sufficient progress to return to our old system of specie payments; the present existing commercial distress in the country would make it necessary to wait some months before any beginning could be made upon such a system; what I mean is, that it would take four or five years before we could have a sufficient amount in the country, and be in a state of a progressive increase of that amount; for the country must be always in the state of a progressive increase of that amount.

You mean, that we could commence cash-payments if we had twenty millions, and that it would take four or five years to obtain that amount?—Yes.

As the public have been so long accustomed to receive one and two pound bank notes, less valuable from not being convertible into coin (on demand) why do you think, that if the one and two pound notes became convertible into coin, they would be excluded from circulation by a preference being given to sovereigns?—It is a question of individual convenience. I should think, that a coin perfectly new, and of which the perfection is undoubted, would be used in preference to paper.

When there was a partial issue of sovereigns, on a recent occasion, and when, consequently from the issue being partial, one might suppose they would be more sought after, did the inhabitants of the metropolis, in your opinion, show any marked preference of sovereigns to bank notes?—They hardly remained long enough to judge what the opinion of the public would have been: habit has a great effect with all men upon this subject; and the sovereigns disappeared almost before the public understood their value.

Would not the effect of a more preference of gold to bank notes be peculiarly felt on the first issue of the coin, rather than when people became habituated to them by their being in circulation?—I should think not; they might be preferred as objects of curiosity to look at, but not for general use; because a person using them might constantly be in the case of offering them to those, who never having seen them before, knew nothing about them.

Supposing the market price of gold had continued below the mint price, do you think that that preference which was not shown for the sovereigns, on account of the very short time during which they were in circulation, would have been shown?—I think it would; but I judge more from my own notions of convenience as to what I should like to carry in my own pocket.

Are you aware, that previously to the restriction Act the Scotch banks circulated one and two pound notes, convertible into coin at the will of the holder; and that those notes supplied a great proportion of the circulating medium of that country?—I have heard that that was the case, though I have no personal knowledge of it; but I think the imperfect state of the guinea, before it disappeared, alters the question of continuance very materially.

As the operation is so simple, by which the sovereigns may be made as imperfect as the guinea then was, would not the same objection which then applied to the guinea, in the course of a very short period, equally apply to the sovereign?—I think, that after some years of wear it might.

Might not the sovereign be reduced in value, not merely by the wear of several years, but by the operations of persons wishing to derive profit from deteriorating the coin?—It certainly might, and would in the course of time.

Have not there been such improvements in the mode of conducting business, and particularly banking business, with a view to the more economical use of the circulating medium, since the period of the restriction, as would tend to render a much less amount of gold currency requisite for commercial purposes than was then requisite?—Certainly; and a less amount in proportion to the transactions.

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Supposing the return to cash payments was accompanied with this provision, that the bank of England should be allowed to continue the issue of notes below five pounds, that those notes, being convertible into coin at the will of the holder, should be a legal tender, and that the country banks should be required only to pay their notes on demand in the paper of the bank of England, do not you think that a provision of that kind would tend to dispense with the necessity of a very large proportion of that coin which would otherwise be required?—I think it would; and that such a measure would be a very useful precaution in the event of the resumption of cash payments.

If such provision were made as that referred to in the last question, do you think it probable that, on reverting to cash payments, the amount of gold coin required for the purposes of internal currency, would be larger than the amount of paper currency then circulating with it?—The amount of gold required would be, first, that amount which was positively in circulation; and secondly, the amount that must remain in deposit at the bank, to answer the occasional calls of the owners of its paper; it should also be recollected, that a good deal of gold would be hoarded, a practice which the late experience of the country, as to the depreciation of paper, is likely to promote and increase.

If I take the whole amount of bank of England notes of ten pounds and the smaller notes, and if I take the amount of the whole of the country bank paper at present circulating in the country, do you think it probable that, on reverting to payment in cash, the metallic currency would displace more than half of that aggregate amount?—It is very difficult to make an accurate estimate upon such a subject, but I should suppose not above one half for the purpose of circulation, without estimating what must remain in the coffers of the bank, to answer the calls of the holders of its notes.

When you calculate the probable amount of metallic currency that will be required at the expiration of some time after the resumption of cash payments to be forty or forty-five millions, do you form your judgment upon any criterion more satisfactory to your own mind than that suggested by the question?—I estimate the amount, upon a supposition of the old state of law to exist with respect to payments, and that the bank note be not made a legal tender for the payment of the country banks, but at the same time, the whole estimate is very vague and uncertain; if country banks were allowed to continue their emission of notes, and liable only to payment in bank of England notes, I should think the amount required would be diminished.

Do you think the present amount of paper currency, including country paper as well as that of the bank of England, is greater than the natural demands of the country require?—Speaking correctly, I know of no means of judging of the question of excess, but by that of depreciation, and I should say, that the paper of any country ceasing to circulate at its par value is in a state of excess; but at the same time, the country has for so many years gone on under a different system of ease and facility, which have been very great, that it is hardly fair to judge of this question by the same criterion; judging it upon the principles of the circulation as it has existed for some time, I should say the amount at present was certainly not excessive.

You are understood to mean, that if your answer is applied to the circumstances of a people who have been long accustomed to a very abundant circulating medium, in that case you do not consider the present amount excessive; but with reference to the sound principles on which, in your opinion, a currency ought to be established, that in that case it is excessive?—Exactly so; and that sudden return from a system of ease to that of comparative restraint, must always be attended with great inconvenience.

Then when I calculate the amount of gold currency, which will hereafter be required, and form my calculation on the present amount of paper currency, ought I not, before I draw any conclusion with respect to the amount of gold currency, which will be required when we revert to cash payments, to make a deduction on account of the present excess of paper currency?—I think, certainly, something must be allowed for this consideration.

When you spoke of the amount of metallic currency required, were you speaking of that required for the United Kingdom, or for Great Britain?—For the United Kingdom.

Supposing then I assume the amount of bank of England notes of £101. and below that sum to be about fourteen millions, and the amount of country bank paper in circulation to be thirty millions, do you think that I am forming a tolerably correct estimate when I suppose that the amount of gold required, for the purposes

of currency in Great Britain on reverting to cash payments will be (if my assumptions as to the amount of bank of England paper and country bank paper are correct,) about half that aggregate amount?—I do not see how the amount can be estimated from those facts; because, to answer the issues of the larger notes, there must be a deposit of coin somewhere, and I believe all the bankers, who are old enough to recollect the circulation in old times, will state, that even of their larger payments a considerable portion was made in gold; what may be required for the circulation of Ireland must further be considered, but I have really not considered this subject sufficiently to have made any estimate, that can be worthy of the attention of the Committee.

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Have the goodness to state to what extent you conceive the exchanges of this country to have been affected by investments in foreign securities or remittances of capital, for the purpose of entering into commercial enterprises abroad?—It is always difficult to estimate in what degree the state of the foreign exchanges, under our present system, may be owing, to the state of the issues of paper or to foreign payments; it is quite evident, that foreign payments could have no effect upon the exchanges under a system of cash payments, but under the present system I consider generally the operation of depreciation to commence by the payment abroad, when this effect is not counteracted by a contraction of issues, certainly a greater amount of paper may remain out without depreciation, when the tendency of foreign transactions is to bring money into the country, than when it operates to carry money out of the country; the investments of capital abroad, which have been very considerable; and which, whether loans are made abroad or not, are likely to continue as long as the same disproportion exists between the value of capital in this country and on the continent, must have had a material effect in keeping the exchanges against this country; the bank probably not having counteracted that effect by contracting the issue of its paper.

How much per cent below par is the nominal exchange of this country with Paris at the present time?—I have not calculated it accurately; but I believe it to be about 5½ per cent.

In your view of the subject, the paper currency of this country must be depreciated to about the same extent, that being the amount of the difference between the market and mint price of gold, do you think there is any connection between that depreciation of paper currency and the unfavourable nominal exchange between Paris and this country?—The amount of difference between the market and the mint price of gold, which is also correctly indicated by the state of exchange with Paris, is, in my opinion, the only measure by which that depreciation can be ascertained.

Then supposing paper were now convertible into coin, do you think the exchanges with Paris would be at, or nearly about par?—They could not be below the charge of transporting the precious metals from one country to another.

Have the goodness to state to what you attribute this circumstance, that the exchange with Paris, during a part of 1816 and part of 1817, was not unfavourable to this country, and that since that period it has been unfavourable?—Undoubtedly the investments abroad have had some considerable effect; but it appears that the issues of the bank of England were considerably increased during the year 1817, when, for the purpose of counteracting the effect of further payments, they should have been reduced. In the latter part of 1817 and throughout the year 1818, although the amount of bank of England paper appears to have been reduced, yet as it is evident, from the disproportion that exists between the amount of small notes in the year 1818 and the amount at earlier periods, that the country bank paper must have increased, the reduction of bank of England paper in the year 1818, cannot be taken as a criterion, that the general amount of paper in the country was reduced; the reason why the reduction in the months of September, October, November, and December 1818 have not produced any corresponding effect upon the exchanges, may have arisen from this; that during those months very large investments were made in French stock, by persons who, having sold out in the summer at high prices, re-invested the amount at low prices during the difficulties that existed at the close of the year in Paris.

Do you consider the reduction of bank of England notes under five pounds as a certain criterion that the issue of country banks is increasing?—Not as absolutely certain, but as a very probable criterion. I believe the augmentation in 1817 and 1818 is further confirmed by the return of the amount of notes stamped, by which it appears, that in 1818 there was a very considerable increase over the two preceding years.

The notes of the bank of England above £5, as well as those below £5, being

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having been diminished in the latter half year of 1818, compared with the same period of the preceding year, how do you account for the increase of the country bank paper, if the circulation of the country banks depends upon that of the bank of England?—I apprehend that an increase of country bank paper does not necessarily require an increase of bank of England paper; on the contrary, the bank of England paper, particularly the small notes, become more wanted when any circumstances of discredit exclude the country notes from circulation, and that therefore I should rather infer, when the amount of the small notes of the bank of England is low, that that of the country banks has been increasing; and this seems to be confirmed by the increase of the stamps on the country notes in the year 1818.

If the notes of the country banks are payable in notes of the bank of England, must not the country bankers, for their own security, diminish the issue of their notes when those of the bank of England are diminished?—They certainly must for their own security; but I should suppose, they practically increase and diminish the amount they hold of bank of England notes, according to the state of confidence, or want of confidence in the district in which they are banking.

Do you happen to know what was the state of this country with respect to general confidence, about the period of which you are speaking, namely, the autumn of 1818?—Having been out of the country, my information on this subject is not very accurate, but I apprehend that there was commercial distress in the latter part of 1818, but that it was more in London, and in towns carrying on foreign trade, than in the internal districts of the country.

To what causes do you attribute the distress of which you speak?—I attribute it principally to one of those revolutions in trade which every five or six years usually create; it is more immediately owing to a great fall of price in some of the principal articles of trade, especially the article of cotton; it may have been aggravated a little by the contraction of paper, and perhaps still more by the apprehension of that contraction; but it certainly had not its origin in any thing relative to the circulation of the country.

Do not you believe a diminished circulation in any country to be one of the most powerful causes of commercial distress?—There can be no doubt of it; it would produce distress where it did not exist, and certainly must aggravate it where it did; provided always, that the reduction be beyond what the situation of the country would fairly admit of.

Would not the same effect be produced, by a reduction of the circulation to which the country has been accustomed, although larger than it had been at antecedent periods?—Certainly; the value of all commodities in the country accommodates itself to the amount of currency in usual circulation: if the amount of that currency be reduced, it must occasion a fall of prices in all commodities, and distress to those who hold them.

Do you think that an exactly equal nominal value of metallic currency, and of paper, produces exactly the same effects as a medium of circulation, either where such paper is convertible into coin, or not?—I should think that the effect of the amount actually in circulation, must be the same, whether it exists in one shape or another, but that a great difference must arise as to the amount of that portion of the circulation which is reserved as a security for the paper that is out; of course a metallic circulation has the power of maintaining its equilibrium, by being partially exported whenever it is in excess.

Does not a paper currency circulate more rapidly, and with more facility, than a metallic currency of equal nominal value?—It certainly circulates with more facility.

If that be the case, will not a given quantity of paper answer the purpose of a larger numerical value in coin, as a medium of circulation?—I do not understand that it would; it circulates with more ease, but I do not think that a less quantity would be required.

You have said that there are frequently considerable differences between the price of gold or rather bullion, and the proportion which it would appear to bear to the rate of exchange, which do you consider as the most correct criterion of the proper amount of circulating medium in a country?—Undoubtedly, if the transactions in bullion were quite free, and there existed a general competition, the price of gold bullion would be the most correct mode of estimating the depreciation of paper; but in London, there exists only the bank broker in bullion, and of course no competition, and it is evident, from the return of prices, that the quotations must either have been incorrectly or arbitrarily stated. It is not possible, for instance, that a price of £4, 6, 8, can have existed with a Paris exchange of 22, 40; when a price of £5, 6, appear

appears by the return to have existed with a Paris exchange of 30.; many similar instances of disproportion exist in the returns; which make it evident that the quotations of bullion cannot be relied on. The standard of France being very perfect, the France exchange is perhaps the best criterion for an estimate, because the value of gold and silver in the coinage seldom varies more than one quarter per cent, and gold being the standard of this country, it is only with a country having a gold standard, that any accurate proportion can be ascertained.

Might not some great political event, such as the return of Buonaparte from Elba, and the apprehension of immediate war and great foreign expenditure, occasion a more sudden and considerable rise in the price of gold than would be indicated by the state of the exchange?—Certainly, that may exist for a short time; but no circumstance of that sort sufficiently accounts for many discordancies on this subject in the return.

Might not the purchase of gold by the bank of England in the years 1816 and 1817 keep the quoted prices of gold for a considerable period above the rate indicated by the exchange?—Not more than the difference of the expense of sending it over.

Do you consider the price of bullion as regulating the exchange, or the exchange as regulating the price of bullion?—Sometimes the one and sometimes the other; if the operation originate in bullion it affects the exchange, and if in exchange it affects the bullion.

In the early part of your examination you stated, that if the bank had been paying in cash when the operations of various governments abroad to restore a metallic currency in their countries took place, it would not have produced any material effect of the precious metals from this country; what other effect do you think it would have had upon this country?—I do not know that it would have had any material effect upon this country, other than that this country would have participated in the general increased scarcity of currency, which the destruction of so much paper, and the substitution of so much metallic currency, must have made in the general circulation of the world.

How could a scarcity of currency have been produced in this country by a foreign operation, otherwise than by a drain of its circulating cash?—It would certainly have operated to carry off some of its cash; but the operation would have been hardly sensible, and would have been no more felt by this country than it is by France, Holland, or any other country in which a metallic circulation is in existence.

Has not the effect of these operations been very considerable in France, you having stated that very large sums have been exported through Germany to Russia?—The effect has been more felt by France, because the payments of contributions from France were compulsory, and without any equivalent return; but the distress arising from these payments cannot be stated to have been very considerable; the distress alluded to in France at the time, was owing to an imprudent extension of the paper of the bank of France, and the sudden hasty withdrawing of it.

The directors of the bank of France, in their report, attribute the embarrassment and distress of the circulation in France last autumn, in a very great degree, to the drain of specie to Russia; in what degree did the export of the French coin to Russia differ from the payment to the other countries to which France was bound to pay contribution otherwise, than from the operation of the Russian loan for the purpose of redeeming the paper currency of Russia?—The distress in France lasted but a very short time, although their foreign payments had been constant, and now continue, which sufficiently proves that the existing difficulties were not mainly caused by those payments, but by the operations of the bank of France. The aggregate payments of France to foreign countries must certainly have had an effect upon their circulation; it was made to Germany generally, and drawn from thence in a great portion to Russia, partly for the amount that was really due to Russia, but a much greater proportion for a loan which the court of Petersburg kept open.

Is it not probable, that if the bank of England had been paying in specie at the period of those foreign operations, the capitalists of England would have taken a considerable share in them, especially if tempted by a still higher rate of interest than has been given?—The capitalists of England were tempted by the high rate of interest, those of Holland to a still greater extent; but I am not aware that the circumstance of payment or non-payment in specie, would have much influence upon their disposition; if it had any, the payment in specie would diminish the disposition, because the effect of foreign payments inducing a contraction of loans, and producing thereby a scarcity of money, that scarcity would have been felt in the price of the stocks, and the temptation of going out, of English stock into foreign

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foreign, would of course be reduced. The Dutch capitalists went very extensively into the Russian loans, and probably took more than three-fourths of the whole amount, and that country has always maintained specie payments; and I am not aware that this operation caused any sensible effect, or produced any permanent scarcity of money, although there existed a period of great distress and difficulty in Amsterdam, about the same time, with a similar state of things in Paris, but which was not of permanent duration, and which does not appear much connected with the investment of capitals abroad.

You have stated, the true criterion of a just proportion of paper currency to the wants of a country, to be the value of that paper in proportion to the coin; you mean, by that expression, its proportion to the intrinsic value of the coin; or in other words, to the amount of bullion contained in it?—I mean its proportion to the coin which the paper represents; the value of coin being determined by the quantity of the precious metal which it contains.

You have stated, that for the maintenance of a necessary amount of currency in cash, somewhere between 40 and 45 millions of gold would, in your opinion, be necessary; that the bank could not commence cash payments without about one-half of that sum being previously, not absolutely in the bank, but in the country, (trusting to a gradual influx for the remainder;) that to accumulate that preparatory sum, would require, in your opinion, not less than four or five years; and that, looking to this amount of cash as likely to be necessary, you contemplate the probability of its displacing about one-half of the paper currency of the United Kingdom; you have further stated, that supposing that part of the paper currency which is issued by country banks to be made payable after the removal of the restriction, not in gold, but in bank of England notes, the bank of England notes themselves being convertible into coin; that arrangement would tend to diminish the amount of gold necessary for maintaining the currency; to diminish proportionally the amount of the sum necessary to be provided preparatory to the opening; and to diminish in a like proportion the period necessary to be allowed for that previous provision: supposing any other plan to be devised for still further diminishing the call for gold in daily payments, after the resumption of cash payments, would not such plan, in the same manner diminish *pro tanto* the amount of gold necessary to be provided before hand, and consequently shorten, in a like proportion, the period necessary for providing it?—I think it would; but at the same time, when I speak of the time necessary for the change of system, it is not only for the purpose of obtaining the precious metals necessary, but for producing gradually that great change in the value of every thing in the country, which must arise from the reduction of money in it, and from the abandonment of that system of ease and facility which has existed for 40 many years; the consideration in point of time, therefore, must be determined, not only by the actual necessity of the importation of bullion, but for the purpose of graduating that general change of system which it appears to me must be the result, under the system of an irredeemable paper currency.

When you speak of a given period of time as necessary for the resumption of cash payments, do you mean that until the expiration of that period of time no step should be taken towards that resumption, other than the obvious and necessary steps on the part of the bank of preparing itself to meet the demands upon it when it should open?—In giving an opinion of time, I must repeat that I allude to the old state of cash payments without the existence of the small notes; the period I allude to would be the period when the legal restriction would be taken off from the bank; but I presume that the country will be best brought to a state which will admit of such removal by the bank gradually introducing into the circulation of the country a considerable portion of the precious metals; I know of no other mode of proceeding for the purpose of returning to the old system of circulation, unless perhaps it were by admitting, for a certain time, a double currency in the country, irredeemable paper and the gold, to which there are many objections; a silver currency would undoubtedly be restored with more ease; the bank in issuing its gold can be working to no purpose, unless, at the same time, it contrives to maintain the exchanges in a state to prevent that gold from going out of the country.

Do you apprehend that the partial opening of 1817 failed of its effect because measures were not simultaneously adopted to keep the exchanges in a favourable state, and consequently the mint and market price of gold in unison with each other?—I certainly do; to have kept the gold in after it was issued there must first have been necessarily a reduction of paper currency to the whole extent of the amount of gold that was issued as the currency, and even a further reduction of any excess that may have existed at the time, that is to say, supposing five millions of gold were issued at a period

a period when there was a real excess of a million of paper, it would require a reduction of six millions of paper to have any chance of keeping that gold in the country.

The impediment to the resumption of cash payments being the apprehension of the evils to result from a sudden contraction of the paper currency, and a contraction of paper currency being necessary to make effectual a partial opening, why would a contraction of paper currency, directed to that partial object, be less prejudicial than if directed to the object of a general opening?—Undoubtedly the moment the bank begins to issue coin, it cannot expect to keep it in circulation unless it can keep its paper on a par with that coin; in considering that the legal restraint must be continued beyond the period when the partial opening begins, it is to enable the bank, in its conduct, to make allowance for such occasional relaxation as circumstances may require, although those relaxations can never be made to any considerable extent, without obliging it to a retrograde movement towards the ultimate object of removing the restriction entirely.

As the first partial opening of the bank was for the payment of their smaller notes, supposing an exactly opposite course to be now adopted, and that the bank were to be made liable to pay in cash only demands upon it above a certain given amount, leaving the smaller notes under £.10 still in circulation, would that arrangement, in your opinion, afford a probability of an attempt to open the bank being made with more success?—I think it would, in some degree, but not much; because the smaller notes would always be convertible into larger, and the larger would withdraw the money from the bank, and that money would be used in circulation by those who preferred coin, and would induce them to take notes for that purpose; if, as is proposed in Mr. Ricardo's plan, there were to be no coin in circulation, and the note were to be the only medium of circulation, then there would undoubtedly be a necessity of having the note for that purpose, and there would be no option of substituting coin, and of course the facility of returning to specie payments would be much increased.

Alexander Baring,
Esq.
(11 March.)

Veneris, 12^a die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

ALEXANDER BARING, ESQUIRE,

a Member of the House; further Examined.

HAVE the goodness to state why you consider the rate of exchange to be a better criterion of the depreciation of paper than the price of gold?—I have already stated, that the quotations of the price of bullion are, from want of competition, arbitrary; but further, the price of gold seems also to depend a good deal upon the price that the Bank may at particular periods choose to give for it. It is evident, for instance, that in April and May 1816, when the Paris exchange was at 25. 6s. the price of gold could not have been kept up at 4*l.* unless artificially kept so by the bank; because at that rate gold would have been brought to the mint, even at the coinage price, if the bank had not intercepted it upon the returns; there is also a long period of a price of the Paris exchange of 25. 8s. in July, August and September of the same year, with the price of gold at 3*l.* 19*s.* At that period, supposing the mint had not been open to the public, and the bank had not been purchasers, the bank note may be said to have been at least two per cent above par. It is for these reasons that I consider, that from artificial circumstances the rates of exchange are a better criterion to judge of the depreciation of paper, than the price of bullion. I judge of what the bank must have been doing, merely from those quotations, having no real information of its transactions during the last two years; the highest quotation of the Paris exchange seems to have been 26. 20. on the 18th of October 1816, with a price of gold of 3*l.* 18*s.* 6*d.* it is evident that such an exchange must really have brought bank paper to a premium of about 4 per cent. The quotation of 25. 8s. on the 25th of October, I take to be a mis-print.

Supposing the trade in coin and gold bullion to be perfectly free, and all restrictions on the importation and exportation to be removed, and if bullion could be converted into coin within four-and-twenty hours after the delivery at the mint, without seignorage, do you think in that case the price of gold would be as infallible a criterion of the depreciation of paper, as the rate of exchange?—Certainly; provided there were no great corporation that prevented the price of gold from finding its level. I take it for granted, that the bank must have been giving those prices;

Alexander Baring,
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(vs March.)

the public could never have been giving them. It is evident that this interference of the bank is no injury of any kind to the public.

Could the interference of the bank be operative, in the way described in the last answer, if cash payments were resumed?—It certainly could not; unless the bank were to disregard its own interests, by giving a higher price in the market for gold than they could obtain by coining it at the mint.

Do you think it is possible, that, under the resumption of cash payments, the bank either would or could, without immense loss, continue in the practice of giving a price for gold that should be above the mint price?—I do not think it likely that the bank would do it for any length of time; there may be particular moments when it may suit the bank to incur some loss on this head, but it cannot be continued as a permanent system.

Are you aware, that in the year 1783, the cash in the bank was so reduced, as to be much lower than at the time when they suspended cash payments?—I know that it was very low at that period; but I do not know what proportion it bore to the subsequent period alluded to.

Would the bank have suffered its cash to be reduced so low at that period, if they could have procured gold at or very near the mint price?—I do not think that the bank should ever, except for very particular occasions, give more than the mint price; or that by giving more, they can materially increase their stock of gold. I should say, that a more regular mode of obtaining that stock, was by reducing the issue of their paper, which would relieve them from the necessity of giving more than the mint price.

If the bank or any other body or individual, were to give more than 3*l.* 17*s.* 10*d.* for an ounce of gold in the market, payable in gold coin of full weight, would it not be the same thing as giving in coin a greater quantity of gold than that received in exchange in bullion?—Certainly; and if the coin could be melted without any violation of the law, the public would exchange gold for coin with the bank so fast, that they would in a very short time be obliged to stop such an operation.

In such a state of things, could any law prevent the melting of coin for the purpose of converting it into bullion?—Certainly not; the existence of a law may occasion a difference of one half per cent, or some given proportion, which must be supposed to be allowed as the risk for violating the law.

Is it not then your opinion, that, under a resumption of the cash payments, the market price of gold can never for any long period, even for the period of a month, continue above the mint price?—Certainly not more above, than the proportion which may be supposed to be an inducement to persons to violate the law in melting down the coin.

You stated, yesterday, that three-fourths of the gold coined at the French mint, in the sixteen months previous to the 31st of December last, was produced from the gold coin of this country; was that gold carried to the French mint in coin or in ingots?—I believe in coin; the proportion I allude to of three-fourths, was certainly in coin; whether any part of the remaining fourth may not have been from coin melted in England before its exportation, I cannot say, but I should rather think that was the case.

In reference to your statement of yesterday, that a plan, by which bank notes should still continue the medium of circulation, but a certain amount of bank notes should be exchangeable at the bank for bullion, and that such a plan would, to a certain degree, facilitate the opening of the bank; can you speak conjecturally as you did with respect to the period of four or five years necessary for the complete opening, as to what period would in all probability be sufficient for an opening on such a plan?—I take for granted the question supposes that there is to be no gold coin in circulation, but merely a payment in gold bullion of a given amount of bank notes; in that case, it is evident that no gold would be wanted for the common purposes of circulation, because the bullion to be given by the bank in exchange for its paper, would not be a legal tender from any body but the bank; and therefore the whole circulation of the country must be in paper; under such a system, the whole amount of bullion that would be required, must be that amount which the bank would be under the necessity of keeping for balancing the variations that may from time to time occur in the amount of currency which, at different periods the state of the country may require; and further, any amount which the public may be disposed to hoard, I should not think that the amount so required by the bank could much exceed five or six millions, because I should not think that the contraction and expansion of currency at different periods, could go much beyond that amount; hoarding would go certainly to a less extent than under a system of coin.

Because there could be no small hoards, and the persons would be less disposed to hoard larger sums, where they had not the means of using them as currency, if they should be disposed to do so, otherwise than by selling or carrying them to the bank; under these circumstances, I should incline to think that ten millions of bullion would be abundant for every purpose; but it is difficult to speak with accuracy of an untried system; at what period, under such a system, the bank could resume its payments, must depend upon a state of facts unknown to me, especially as to what may be the amount of the present treasure of the bank; the procuring a sufficient supply of bullion does not seem to me to be attended with any very great difficulty, but I have more doubt as to the contraction of circulation necessary to hold that bullion in the country, after so long a period of the ease and facility which the commerce of the country has enjoyed under the present relaxed system; at the same time I should upon the whole think, that 18 months from the period when such a preparation could begin, that is to say, after the present temporary distress has subsided, would be sufficient. I should think, if the tender were made in given proportions in both metals, gold and silver, not only the facility of arriving at cash payments would be increased, but that it would be a great increased facility to the general circulation of the commerce of the country.

Postponing for the present the last suggestion, as to the joint use of gold and silver, and continuing to assume that bank notes would be the only medium of circulation, and recollecting that the convertibility of paper into specie at the will of the owner, is held to be the only sure guarantee against excess in paper issues, are you of opinion that, under such a system as has been described in the last answer, the liability of the bank to pay given large amounts of their notes in bullion, would be a sufficiently effectual restraint upon excessive issues, and consequently a sufficient guarantee for the steadiness of the exchanges, and of the price of gold, after that system should have been put in operation?—I can have no doubt of it whatever; supposing the amount which the bank would be liable to pay not fixed above £. 500, I am quite confident that the standard of the country, and of course the par value of the paper, would be preserved in much greater purity than under any system of coin. The plan in question is, in fact, no other than that of the bank of Hamburg, only substituting a currency of paper in lieu of a transfer of bank debt; and the bank of Hamburg has always been found, from long experience, the best institution for preserving the standard of value; the payments of the bank of Hamburg are solely in silver bullion.

Supposing such a plan once adopted, and the price of gold and the exchanges to have continued steady for some time, under the operation of this plan; would not such a state of things afford a great facility for the return to the ancient system of this country, if such return should still be thought more desirable?—The plan would certainly bring with it no expense, and could at any period be got rid of without difficulty; at the same time, as one of its merits is to carry on the circulation with the least possible amount of bullion, of course, the supply for returning to the system of coin, would not be very great: at the same time it is my opinion that such a system would make London the great mart for gold and silver bullion in the same manner as the bank of Hamburg has given that advantage to the city of Hamburg for silver.

You have probably heard that another plan has been suggested for the resumption of cash payments, with reference to the present actual price of gold, and varying the amount at which the issues should be made from time to time, in proportion as the price of gold shall come nearer to the mint price; setting aside the question of good faith, which is involved in the first step of such a plan, do you think in other respects that it is practicable and advisable?—I should think not; I do not think the bank could be placed in a state of cash payments much earlier, by making a small difference in the price at which they would begin to pay, than by abiding by the old standard; there might be some facility, but not sufficient to justify so great a novelty.

When you state that great facility would arise from the payments of the bank being made indifferently in either of the two precious metals, silver or gold, do you apply that observation only to the supposition of the system of bullion payments being adopted, or equally to a resumption of cash payments in the ancient manner?—I should prefer the mixed standard under either circumstance; I was formerly always of a contrary opinion; but I have observed, during some time, that two metals circulate together with so much facility in France, that I have altered my opinion; and I think, that although they never could be kept exactly at a par with each other, yet that the difference would be too inconsiderable to create practical difficulties. For the last two years in France the difference between gold and silver

Alexander Baring,
Esq.
(13 March)

*Alexander Baring,
Esq.
(12 March.)*

has never been greater than from one tenth to one quarter per cent, and both metals are indiscriminately used in general circulation; if they can be so used, there can be no doubt of the facility that would arise in a great commercial country from employing them; at the same time I should propose that the one or the other, and I should prefer gold, should be declared to be the fixed standard of the country; and that the proportion of the other to it should be adjusted at fixed periods, or whenever it should be found materially to have varied; by this means any permanent difficulty would, I think, be avoided. This plan of occasional adjustment of proportions could of course only exist under the system of bullion payments, as it would otherwise necessitate a change of the silver coin. I should prefer gold as a permanent standard, because I think that less likely to vary materially; it is evident that a system of silver coin payment must bring with it the exclusion of the present silver coin, but that a system of silver bullion payment would bring with it no such consequence; and settling aside the inconvenience and expense attending the loss of the new silver coinage, I should prefer the two metals even as coin, as legal tenders.

Excluding the system of bullion payments, and confining this question to the proposition of the return to the ancient system of cash payments, are you of opinion, that, under that system, silver should be made a legal tender for sums to any amount?—I should certainly prefer it. The circulation of almost all the rest of the world is in that metal; it comes to us in great abundance from the Spanish colonies, with which we have considerable trade, and I should think that it would much facilitate the operation of payment by the bank, and be attended with no practical inconvenience to use in this country, as in all others, the two metals as a medium of circulation.

Are you of opinion, that any advantage would arise from changing the standard from gold to silver?—There certainly would arise the advantage, that a much smaller amount of silver would be necessary for the purpose of circulation than of gold; because no person would carry about him more than a pound's worth of silver, if he could obtain small notes; but I apprehend that between the option of small notes and a perfect gold currency, he would prefer the gold; the different amount that would be required of the two metals, would certainly be very considerable, and I know of no other objection in adopting silver as a standard, if only one standard be to be taken, than the apprehension entertained by some very well informed persons, that the amount of silver may be hereafter very much increased by the improvement in the working of the South American mines: I believe this opinion to be by no means visionary; but that the amount of gold is not likely to be increased in the same manner.

You have stated, in an early part of your evidence, that for a return to cash payments, under the ancient established system of this country, a period of not less than four or five years would, in your opinion, be necessary; do not you apprehend that the fixing so distant a period would, of itself, confirm, and even multiply all the impediments which you now consider as existing against the resumption of cash payments, in the habits of ease and facility afforded to the commercial transactions of the country under the restriction?—My notion of affording the time is with the intention that that time should be employed in the gradual construction of what has been gradually relaxed; but at the same time, in naming any number of years, I do so with great diffidence and uncertainty; undoubtedly nothing would be gained by time, unless it were employed in suitable preparation.

Does it occur to you, that Parliament could prescribe any course to be followed by the bank, which should have the effect, which you describe, of gradually removing the impediments to opening, or that Parliament can only fix the time at which the resumption of cash payments shall take place, leaving to the discretion of the bank to make the necessary preparations?—I am quite sensible of the difficulties which this question presents; I am not aware that Parliament can, with safety, have any other security than what may arise from some declaration of its intentions, and of the principles which would induce them to determine any specific period.

Have the goodness to explain in what sense you use the term, principle; do you mean the principles of the monetary system, or the moral principles by which Parliament may be guided in coming to its decision?—I allude more particularly to the principle which, according to the returns, the bank appear to me, with the best intentions, either to have lost sight of, or not to admit, namely, that the depreciation of paper is immediately dependant upon its amount, and that with a view to the return to cash payments, or to the maintenance of the par value of the paper, it is absolutely necessary to consult, in regulating its issues, the state of the foreign exchange. I do not mean that in cases of difficulty and distress, which may occasionally arise, may

not be a sufficient inducement temporarily to disregard this principle, but that it should, as a general system, govern their transactions.

You have stated, that you are of opinion that the exchanges are mainly affected by the contraction or expansion of the paper circulation of the country, do you think that there are any individuals, or any class of individuals, who have, either by the extent or the nature of their transactions, a power of operating upon the foreign exchanges, to such a degree and for such a length of time, as to make the state of the exchange to appear other than in reality it is?—Certainly not under a system of cash payments, but under our present system, the same amount of paper out may undoubtedly produce for a time, and sometimes for not an inconsiderable time, a different proportion of exchanges, owing to large payments abroad, than the same paper would maintain under other circumstances; the immediate operation upon the exchanges seems to me to come from the amount of foreign payment, and the correction of the consequences arising from that foreign payment, must come from contraction of issues before the restriction of cash payment. I recollect in Mr. Pitt's loans, in the early part of the war, the amount of foreign payments was always anxiously inquired after; and it was considered, that a payment of any sum abroad, was of more importance to the lenders, than twice or three times the same payment at home, because they were aware, from experience, that those payments forced the bank, under the then system, to a contraction of issues, and that that contraction of issues produced a scarcity of money.

You have justly described the natural operation of the exchange; but the foregoing question pointed at the doctrine, which has been held by some gentlemen coming before the Committee, that transactions not in the natural course of commerce, but directed exclusively to the purpose of operating on the exchange, could produce, and continue for a considerable length of time, a fallacious appearance of the exchanges, which it was hopeless to attempt to remedy by any contraction of issues?—Such operations may certainly produce such appearances for a short time, but would be very soon counteracted by the bank doing that, which the bank always is obliged to do under a sound system of currency, namely, control such operations by the contraction of issues, although the operations of individuals may temporarily produce the appearances mentioned in the question, yet permanently such operations are controlled by the bank, and not the bank by them.

Are you of opinion, that any individual can affect the appearance of the exchanges by fictitious transactions, in a contrary direction to that which you have supposed in your answer, to any great extent and for any considerable length of time?—I should think certainly not.

The result then is, you think that the bank ought to look to the state of exchanges, as a general and just criterion of the proper amount of their issues?—I should think certainly, that with a view to maintain its paper at par, it must do so; which is doing no other than it would be obliged to do, if it were under the system of cash payments; at the same time circumstances may have arisen, and perhaps may arise, of commercial difficulties in the country, when the bank may, under the system which has so long been continued, think it right to afford assistance, without immediate reference to the state of the exchanges. When I speak of its being the duty of the bank to look to the state of the exchanges, I do it upon a supposition, that it is supposed to be the paramount duty of the bank to move towards a payment in specie.

Does it, in your opinion, make any difference as to the question of excess, whether the issues of the bank are made in a greater or less proportion in discounts, or on government securities?—I think it makes no difference whatever as to the question of excess, nor as to the value at which that paper will circulate; it may make a material difference whether the commerce of the country has its fair and accustomed share of accommodation; but this seems a question wholly distinct from that of the value of the currency when it is issued.

Does it make any difference whether the bank issue is made in purchase of bullion?—None whatever.

Do you imagine any facility would be given to the resumption of cash payments, other than as it would operate towards a contraction of issues, if Parliament were to decide the amount in proportion to their whole issue, which the advances to government should never exceed?—It can have no other effect, than in as far as it may control the total amount of these issues.

Do you think that any division of the profits of the bank, either in the way of augmentation of their capital stock, or in the augmentation of dividends, has a tendency or not to throw an impediment in the way of a resumption of cash payments?—

Alexander Baring,
Esq.

(11 March.)

*Alfred Baring,
Esq.*
(*Chairman.*)

—The augmentation of capital in the manner it has been made can have no effect whatever; the augmentation of dividend can have no injurious effect, if the dividend be fairly made from the profits of the bank, and does not go in diminution of its existing capital. Undoubtedly the facility with which the bank may return to cash payments must depend, in some measure, on its means; but supposing the dividend to be a dividend fairly made upon its profits, I can see no difficulty that would arise out of it, in as far as the augmentation of capital is made with money which, in the regular course of things, might have been paid out in dividend; such augmentation has a tendency to increase the general means of the bank.

Have not the profits of the bank been greatly increased by the operation of the restriction?—That is certainly a fact that can admit of no doubt.

Without grudging to the bank that accidental advantage, is not it reasonable for the public to expect that those profits should be applied, in the first instance, to the accumulation of bullion, one necessary means for the resumption of cash payments?—I do not think that any such application of the profits of the bank would answer any beneficial purpose; for I am of opinion, that the bank will arrive at its cash payments by waiting until the bullion shall come, by a contraction of its issues, at or near the mint price, as easily as by making a sacrifice of its capital by purchasing under that rate.

Are you of opinion that parliament can so otherwise interfere, beneficially, in respect to the resumption of cash payments, than by peremptorily fixing the period at which they shall take place; and that any interference by parliament with the practical measures of the bank for preparing themselves for that resumption, would either be injurious, or of no avail?—I have never heard of any system in which the interference of Parliament could be practically applied, otherwise than by fixing the period, and perhaps by some resolutions of the principles upon which it is expected that the bank should be governed; there is evidently no other means but that of a direct control; which in every case, both for the credit of the bank and the interests of the country, must be avoided.

Do you think that, instead of fixing a specific time, Parliament might describe a state of things, after the existence and duration of which, for a certain time, the resumption of cash payments should take place?—I should say, the best security for Parliament would be to fix a period, leaving to the bank the regulation of its concerns, but watching at the same time the indications of the state of its preparation, which the continued rates of the prices of bullion and the foreign exchanges must give.

Do you mean that it would be expedient that a power should be lodged anywhere by the act of parliament, or should be reserved in the act to parliament itself, to shorten the period to be now fixed, if those favourable indications to which you have alluded should appear, and should continue for some time before the expiration of that period?—I should apprehend that in fixing a distant period, it should always be with the understanding that the bank should resume earlier if their situations permitted it, and that in the act some reservation to that effect would be necessary.

You are aware, that such a reservation, so far as regards the power of the bank to resume earlier, has been made in all the acts of parliament; do you mean some reservation of a different kind, and to be lodged in some other authority, of a power to call upon the bank, under the circumstances supposed, for an earlier resumption?—I should be sorry to suppose, that the bank could require any control, to oblige it to comply with the principles and intentions, which the Legislature may think proper, clearly and explicitly, to lay down.

Are you of opinion that the conduct of the bank, with a view to the resumption of cash payments, since the peace, has been founded upon correct principles, and has been *bona fide* directed to that object?—I should think it impossible for any person to look at the returns which have been made to Parliament, and I have no other means of information as to the affairs of the bank, without being sensible, that the bank has acted with a *bona fide* intention of complying with the intentions of the legislature; I have no hesitation in stating my opinion, that, with the best intentions, they have not exactly taken the right road; it appears to me, that the great error pervading the whole of their proceedings seems to arise from not acknowledging, which many very well informed persons will not, the principle of the par value of the paper being dependent upon the amount of its issue.

Can you define any course of proceeding, by which Parliament, without interfering in the direct control and management of the affairs of the bank, should nevertheless be able to take a more effectual security than has been taken in former acts of parliament, for the fulfilment of the intentions of the Legislature, at or before the

Period, which the Legislature may fix, as the period beyond which the resumption of cash

cash payments should not be delayed?—I know of no other but a plain and explicit declaration of the Legislature, as to the principles by which the bank should be guided; and I cannot doubt but that the bank will be guided by those principles, if they be so explicitly declared; at the same time believing that a system of this sort must always be one of restraint, as compared with that under which we have long lived: the bank, in justification towards the public, in refusing sometimes that accommodation and facility which they have hitherto granted, should have the explicit authority of the Legislature to protect them: it is evident, that among the advantages of the paper system (for, with all its disadvantages, it has many advantages,) the principal one has been, that, in all times of difficulty, the bank has been able to come forward to the relief of the trading public: under a system of cash payments, on the contrary, a bank is necessarily exposed to the same distress which that public itself experiences, and therefore cannot be able to grant relief. I mean by the principles upon which the bank is to be governed, supposing Parliament disposed to adopt those principles, that the issues of the bank are to be regulated by the state of the exchanges, and the price of bullion, not with a view of immediately and suddenly conforming to them, but arriving at that conformity as soon as the bank conveniently can.

Alexander Baring,
Esq.
(15 March)

In stating the expediency of Parliament laying down those principles, the Committee are not to understand you as saying, that such principles are immediately to be applied by the bank, in all their rigour, in the regulation of the contraction of their issues; and yet that, after such application, four or five years would be still necessary to the resumption of cash payments, but that, in naming a distant period for the actual resumption of cash payments, your intention is, that the return to those strict principles should be graduated, and the pressure, which you think would result from a strict application of them, should be diffused over a larger space of time; are the Committee right in so understanding you?—Certainly; the principles once fairly established, the bank must judge of the manner in which they are to be carried into execution; he speaking of a period of four or five years, I never meant that I do not think cash payments may be in practical execution before that time, by the voluntary payments of the bank, but that it may be that period before the restriction itself can be safely taken off; at the same time I must again repeat, that I pretend to no accuracy as to the precise period.

Can you suggest any criterion, by which either Parliament or the bank could judge, of the degree of pressure to which it would be justifiable to subject the public in the execution of this plan?—I should say, that the public must submit to that pressure, which the gradual execution of the system may require, and that no relief, in the way of relaxation, can be afforded otherwise than in the case of extraordinary and temporary distress; if it is thought advisable to restore the standard of the currency, the public must submit to the pressure which such an operation, in a greater or less degree, must infallibly bring with it.

Can you judge of the degree of pressure which might be so brought upon the public?—I think it very difficult to estimate; I should think that there will be no sudden and considerable pressure, but that the country will all the time be labouring under those difficulties which arise from a gradual diminution of prices, and which, as I said before, I think are well described in Mr. Hume's *Essay on Money*.

Would not that pressure and distress vary exceedingly, according to circumstances, which cannot now be foreseen?—I think it will; and it is for that reason that I suppose a power of relaxation in cases of emergency, I speak of the pressure as of that degree which must necessarily arise in the operation itself, independently of those circumstances.

Might not a favourable concurrence of circumstances render the pressure very trifling, and almost imperceptible?—I cannot suppose the system carried into execution, especially, as I have said before, with concurrent attempts of the same sort on the part of other great powers of Europe, at the period when the supply of the precious metals from America is reduced, without the country feeling the inconvenience of a scarcity of money, which must show itself in the fall of prices; occasional circumstances may tend either to increase or mitigate this effect.

Would the fall of prices exceed the proportionate difference which now exists between the mint and the market price of gold?—I should think it would materially; but I have no means of calculating in what proportion, but I do not think the amount of what may be called the depreciation of paper is any measure of it.

Does a diminution of the circulating medium of any country, produce a fall of prices, affecting all articles equally, or in very different proportions, according to

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(11 March.)

the nature of such articles?—The increase or diminution of the value seems to me applicable to every thing that it measures; if there are any circumstances which make it to be felt more upon one article than another, it must be from some accidental circumstances connected with the state of that particular article.

Juris, 25^e de Mars, 1819.

(15 March.)

YOU have stated in your former evidence, that Austria, Russia and Denmark are endeavouring to substitute a metallic for a paper currency; that the paper of Russia at the close of the war, might be estimated at 800,000,000 of rubles, of which 100,000,000 has since been cancelled, that the value of their remaining paper has in consequence improved about 1-5th, and that from a similar operation, a very considerable improvement in the value of paper has taken place in Austria; have the goodness to state to the Committee, whether the effects of these measures for contracting the issues of paper, and raising the value of the currency, and by consequence lowering the price of commodities generally, has been to produce any very severe and general distress in these countries?—I have not sufficient local information to answer that question; it should be observed at the same time, that in both countries, but more especially in Russia, there has always been the double circulation of paper and of specie; I have no doubt, however, from general principles, that the variation must have been productive of inconvenience and distress.

You have stated that the supply of bullion from the mines of South America has become less abundant, that Austria has imported probably ten millions sterling of bullion from other countries of Europe, and Russia a like amount, in order to replace the paper currency cancelled; as this operation must have lowered the amount of currency in other countries to the extent of twenty millions, has this diminution, aggravated as it must have been in its effects, by the decreasing supply from South America, produced any very severe and general distress in France, and the other countries from which this supply must have been afforded?—There can be no doubt that it has; there has been during the last two years considerable distress on the continent, and it has been to a great degree distinctly to be traced to the exportation of the precious metals to Petersburg and Vienna; it is not easy in many cases to trace the cause of the distress, but in this case it has been very evident.

What have been the particular symptoms of this distress, as affecting generally the population of France, for instance?—The distress in France has shown itself in the money transactions of Paris, and of course of the rest ports, the difficulties in which the bank of France was involved last year, were mainly to be traced to this circumstance, at the same time the general circulation of trade in the different parts of France is so much less active than it is in this country, that I do not know whether any considerable effect was perceptible in the interior of the country.

Can you state whether any very great difficulty has been experienced in France in the collecting the revenue, in the payment of rents, or in the general operations of internal trade and transactions, connected with the manufacturing interests of that country?—I am not aware of any great effect upon the collection of the taxes, which in no country are more regularly collected and paid than in France; there is never any arrear of taxes; the manufacturing districts, which are chiefly in Normandy and the north of France certainly experienced considerable distress; but it is not easy to distinguish what part of it may be ascribed to the circumstances alluded to; I am not aware of any difficulty with respect to the payment of rents, or in the ordinary transactions of individuals.

In point of fact, have the different heads of the revenue in France materially fallen off in their amount?—No; the revenue has on the contrary improved in most of its branches, and particularly in the article of the customs.

Without any additional rates being imposed?—Yes.

If Russia, Austria and Denmark should persevere in their endeavours to substitute a metallic for a paper currency, or to limit their paper within that amount at which it could be maintained at its par value; and if the mines of South America should continue for some years to be less productive, would it not follow, either that this country must make some proportionate diminution in the amount of its paper, supposing the restriction on cash payments to be continued, or that the disparity in value between our currency and that of other countries, and consequently the difference of exchange against this country would be increased?—Certainly; because the operations in these countries must produce a reduction of the amount of

—money.

money in the world; and if no corresponding reduction of paper is made in this country, the amount of paper will stand in a different proportion to the general amount of money in the world, than it did before.

Supposing peace to be maintained in India, and the over-trading to that part of the world, both from this country and the United States, to be checked, as it naturally will be by the ordinary consequences of over-trading, do you not think that there is more probability that in the next two or three years bullion may be imported from Asia to Europe, than that it should continue to be sent from Europe to Asia, especially if the supply of Europe from the mines of South America should continue on a diminished scale?—I should certainly think that less bullion will go from Europe to Asia; perhaps none at all may go; or it is even possible that a small balance may be brought from thence; but I should think the latter case not very probable. An article, which has lately come in great abundance from India, cotton, will probably not come at all, since the cotton of America is reduced to its present rates.

The assignats in France issued in 1790, continued for a short time to circulate at par with the coin of that country; the latter, however, disappearing in proportion as a cheaper currency was substituted, this paper circulation afterwards became gradually more and more depreciated till the year 1795, at which period France had been without a metallic currency, except for the wants of government, for a term of about five years; in that year, the assignat being still a legal tender current, according to its denomination, and received as such in payment of all the public taxes, though in fact depreciated in the proportion of 250 to 1, as compared with the old standard of their coin, was at last declared by law to be no longer so current or so receivable after the expiration of six weeks from the date of the notice; can you state to the Committee the extent and duration of the distress which was occasioned in France, by this very rapid exchange from a circulation consisting altogether of paper, depreciated to the greatest extent, to a currency consisting exclusively of gold and silver coin, possessing the standard weight and fineness required by the former regulations of the French mint?—I have no recollection of the precise facts stated in the question, but very well recollect the great distress and ruin which attended the depreciation of assignats; at the same time, the whole of this operation having been carried on at a period when there was much general confiscation of property, and a system of terror pervading the disposal of all property, it is difficult to come at any conclusions that can serve to guide us in our present situation; there can be no doubt that the greater portion of the specie of France was hoarded, and not exported, and therefore though I do not know what were the difficulties that attended the return to cash payments, the case must be very different from that of a country where the specie has undoubtedly been exported, and where the paper, though with much less variations in its value from the standard which it represents, has yet always circulated with entire credit in the country, it is evident that in every country where an existing paper circulation is suddenly withdrawn, immediate recourse will be had to a metallic circulation, whatever may be the distress or inconvenience attending it.

The circulation of the bank of France, you have stated, was very rapidly contracted by the precautionary measures adopted by that bank about the close of the last year; and it appears, that at the same time that their issues were greatly contracted, they increase their stock of coin from thirty-four millions to about a hundred millions; can you state to the Committee what was the extent and duration of the distress occasioned by those operations?—The distress was certainly considerable; but as the whole paper circulation is confined to Paris, and operates upon the great trading towns of France merely by the more or less of facility which the Paris bankers can give to their operations, the general effect in the country of this measure was not very considerable, nor was it of very long duration; the distress arising from the measure of the bank was soon afterwards followed by the distress arising from other causes, which makes it rather difficult to ascertain how long the effects may have been felt of that particular operation, but I should myself say that it was not of long duration: the other cause of distress to which I allude, is the same under which this country is now suffering, namely, a great fall in the price of certain articles, and which had nothing to do with the distress arising from the operations of the bank; the effect of the latter would certainly not have been long felt.

Do you concur with the directors of the bank of France, in the statement contained in their report, that the effect of these operations upon the foreign exchange

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was, to turn them in favour of France, and to stop the exportation of its specie?—I certainly do; I have no doubt upon the subject.

You have stated, that if it were not possible to carry gold bullion to the mint for coinage, the bank note might be raised to almost any extent of value, by a contraction of issues; does it not follow, that so long as this power of carrying gold bullion to the mint for coinage shall exist, the value of the bank note cannot be increased beyond the coinage price of gold; and is it not a consequence of this limit to the power of increasing its value, that the fall of prices generally, such prices being to be measured after the resumption of cash payments indifferently, either in gold, or paper convertible into gold, cannot permanently exceed the existing difference between the present value of the bank note and the present market price of gold?—I think that not a just conclusion; undoubtedly with respect to the proportions between the paper and the gold, it is true that the power of carrying gold to the mint limits the rise in the value of the bank note, but it must be recollected, that the price of articles is first of all affected by the difference between the paper and gold in the particular country in which that paper is circulating, and secondly, by the general value of money throughout the world, therefore the diminution of the amount of money, which the drawing in of paper must produce, and consequently the increased value of money must show itself in the diminished price of all articles; I should also think, that beyond the simple operation of the actual amount of money, the circumstance of the increased or decreased facility with which money can be procured, must have an operation; that is to say, that any trader, knowing that he can, at a moment's warning, get from a bank any sum he may require, is in some degree equivalent to the actual possession of that money, and that therefore the system of ease and facility which has arisen from the present banking system, produces in its result, all the effects of an increase of money, beyond the fair proportion in which that money may really have existed.

Assuming that the resumption of metallic payments can be effected, withdrawing only so much of the paper as would be requisite to restore the exchanges to par, but not substituting for the remainder any currency of coin, and assuming that the bank should continue the same accommodation to the trade of the country as it was accustomed to afford prior to the restriction, namely, the discounting all good mercantile bills at the legal rate of interest, do you conceive that under those circumstances, the fall in the price of commodities could materially exceed the present difference between the mint and the market price of gold?—I should think the difference between the mint and market price of gold, not a fair measure by which to judge of the extent of alteration of prices; I have already stated that, in my opinion, the prices must be affected by the alteration which the resumption of cash payments may make in the general amount of money in the world, that is the general circulation of the world upon the different governments in it, returning merely to that extent of circulation of paper which can be kept out under a liability to pay in specie; the general value of money must thereby be increased to the world at large, without reference to the variation that may arise in the particular country from an excess of paper; I further think that, the uncertainty as to the accommodation to be afforded in time of distress, may make the same amount of money go further in a country at one period than at another; and I cannot conceive any state of things under a liability to pay in cash which can make the public feel a confidence in the same extent of facility, in the event of occasional distress, as can exist under the present paper circulation, because at every period of distress the bank must feel that distress itself as well as every other establishment, and, of course, be unable to afford them assistance; not only the bank will feel the distress really, but for the maintenance of its credit will always be taking precautions much beyond what necessity may require.

Will not this be a reason why the difference between the present market and mint price of gold will not be a just criterion of the extent of the fall of prices; that after it has been determined to resume cash payments, a new circumstance will affect the price of gold, namely, an additional demand for it, in order to supply the metallic circulating medium, consequently an increase in the value of bullion, and therefore a greater disparity between the value of the bank note and bullion, after it has been determined to resume metallic payments, than there is at present?—Not a greater disparity between the bank note and the bullion, but between the bank note and bullion united, as compared with other articles.

Would the value of gold in the general market of the world, be increased beyond

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the proportion which the amount to be purchased by the bank, prior to the resumption, bears to the whole quantity of gold in the world, as far as the operations of this country can affect that value?—I think it would be only in that proportion, and consequently the smaller the amount required for the purposes of circulation, the less would this cause operate upon the general price of commodities.

To what cause do you attribute the constant export of gold coin of this country, since the partial opening of the bank; is it to be ascribed to what is called the balance of payments having been uniformly against this country, or to the effect of the law, which establishes a par of value between the one pound note and the sovereign?—It is, in my opinion, owing to the paper not having been withdrawn from circulation in proportion to the specie that was emitted for the purposes of that circulation; it is very clear, that, all circumstances remaining the same, that is, supposing the country to require the same amount of circulating medium after the emission of the gold, as it did before, that to keep that circulating medium at the value it was at before, the precise amount of paper should be withdrawn which was put out in gold; to a neglect of an attention to this circumstance, I ascribe entirely the gold having been sent out of the country. It is evident, that when there is too much of a circulating medium out, that portion of it must go out of the country which is of value elsewhere, whatever may be the state of the balance of payments; but at the same time, the state of that balance may make, at different periods, a different amount of circulating medium exist in the country; the first operation upon the exchanges would be shown by the balance of payments; and I can have no doubt that in a state of things in a country where it is debtor of other countries, a different amount of circulating medium can exist without affecting its par value, to what could exist if it were creditor of other countries; at the same time this distinction cannot go to any great extent.

Would there, in your opinion, be any great difficulty in the bank purchasing from 8 to 10 millions of gold, in the course of eighteen months or two years from this time, if they were disposed to guarantee to individuals dealing in that article, a profit of one shilling an ounce, over and above the cost at which, according to the course of exchange, gold bullion could be purchased on the continent, together with the charges of delivering it in this country?—I should think, unless any difficulty should arise from any extraordinary circumstance of bad harvest, or any thing that should require large payments abroad, the sum mentioned might without any great inconvenience be brought into the country, in 18 months or two years; it must be evident, however, that for such an importation an equivalent must be given, and therefore a certain time must be taken for such an operation, I do not think the mode suggested in the question, one that would practically answer; the best mode would certainly be, for the bank to keep its circulation in that state which would make it the interest of individuals to bring gold into the country; there can be however no doubt that a smaller advantage than one shilling per ounce would be ample inducement to bring the quantity required into the country.

Should you consider such a progressive import of gold, as any evidence of the balance of payment being in our favour; and would it not be in the power of the bank to keep the course of exchange, if at all under par, within whatever limit they might in their discretion fix, as that below which they would not make such purchases?—There is no doubt the price of gold must depend upon the price the bank chose to give for it; the minimum of the price must be the price at which the public may carry it to the mint. The import of gold would be no evidence of the state of the balance of trade.

Is it your opinion, that the export of the gold coin emitted by the bank the last two years, is evidence of the balance of payments being, at that period, against this country?—Certainly not; because, as the gold coin was of no value in this country the moment it was not required for circulation, it would have gone out for any value that would be given for it.

You have stated, that supposing Mr. Ricardo's plan to be adopted, it would in your opinion be desirable that the bank should pay in gold or silver bullion indifferently, at certain proportions of value, to be fixed from time to time; do you deem this to be an option to the bank, or to the holders of their notes?—At the option of the bank, certainly, and not the holder; the payer to have the option of paying in the cheapest tender he can make.

A plan has been suggested, that the bank, at a short notice, say from the 5th of July next, should be made liable to pay its notes in gold bullion, at the then market price, and that such price should be progressively lowered at fixed and stated pe-

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riods, till it come to the mint price; you have stated, that this plan does not appear to you to afford any material facility to the resumption of cash payments, inasmuch as the difference between the market and the mint price of gold is now inconsiderable; and yet you have given the Committee to understand, that the distress you apprehend from the resumption of cash payments will be very severe; how do you reconcile those two opinions?—Because I have never measured the degree of distress by the proportion that exists at present between the market and the mint price of gold. I believe that the bank, to pay at the present market price of gold, would require nearly as large a stock of that metal as to pay at the mint price; and that the trade of the country would be put under the same restrictive system which would be required to return to the old state of currency.

Then, when you state your apprehension of the distress which may be occasioned by the resumption of metallic payments, is the Committee to understand that you contemplate the permanent loss of that ease and accommodation arising from the expansion of issues, to which the system of restriction affords so much facility; or do you confine your apprehension of the effect of returning to our ancient system, to the inconvenience incident to the specific measure, and the limited space of time immediately connected with that return; in other words, is not the greatest part of the inconvenience which you apprehend from the return to cash payments, inseparable from any system of paper currency, however liberally managed, the issues of which are at all times regulated by the necessity of keeping it at par with some given fixed standard of value?—The difficulties that I apprehend, are undoubtedly of the two descriptions; but I certainly attach more importance to that which may arise from the lessened facility which the old system affords; at the same time, it appears to me that the restriction upon the currency necessary to bring the gold into the country, will perhaps even be something greater than that which would be required simply to keep it in.

Then supposing an attempt were made to obviate the temporary inconvenience of falling prices, by raising the mint to the present market price of gold, or to any given higher price, say 84s. an ounce, as the easiest method of restoring cash payments, thereby lowering the standard of our coin in that proportion, would the commercial classes be deprived of much of the ease and facility which they have enjoyed under the restriction, if this new standard, whatever it might be, was made fixed and immutable, and if the obligation of paying their notes in coin, according to that standard, was imposed upon the bank?—It would leave that difficulty precisely the same; the facility I allude to arises from the power of contraction and expansion, which would equally be taken away at whatever into the standard might be fixed.

Are you of opinion, that the resumption of cash payments will be rendered more difficult, and their continuance more precarious when resumed, if government should be under the necessity of annually negotiating a loan of 12 or 15 millions, or of raising that amount by the sale of exchequer bills?—I do not think that it would increase the difficulty of maintaining cash payments; but the maintenance of cash payments would materially increase the difficulty of making the loan, as well as every other large moneyed operation of government.

If the bank gave the usual facilities, might it not, under circumstances to which the circulation of the country would be liable, have the effect contemplated in a former answer?—Undoubtedly.

Would not the distress connected with the resumption of cash payments, to which you have alluded in your answer to a former question, apply to a resumption of cash payments at any future period, and under any circumstances which might be contemplated?—It certainly would; the immediate difficulties which at present exist, and which are not likely to be of long duration, put out of the question, there certainly cannot be a more favourable moment for making the experiment than the present.

In case the bank were, during a state of unfavourable exchange, to purchase gold at an advanced price, do you think it possible that great part of it should not be extracted from them again, and perhaps resold to them at the same advanced price?—There can be no doubt it would, if the bank at the same time that it omitted the gold it had purchased, did not keep the exchange right, by regulating the amount of its paper.

You have stated, that the paper of Russia, Austria and Denmark, circulated concurrently with a metallic currency, the paper being at a great depreciation in Russia; for instance, the silver rouble was valued at four paper roubles; would you estimate

the total circulation of Russia for instance, at that time, by the nominal amount of the paper added to the coin, or by the value of the paper as measured in coin, and added to the coin?—I should measure it by the nominal amount of the paper, adding to it four times the amount of the coin, because the paper is a legal tender for the rouble; and the coin is in many instances a legal tender at 4 for 1, and usually taken at 4 for 1.

Supposing by the calling in and burning of part of the paper, the value of the remainder is raised so as to circulate at the rate of 3 to 1 to silver, and that the total amount of the value, as measured in silver, should remain equal to what it was before, would it have any effect upon the prices, as valued in silver coin?—I should think certainly not; I apprehend the prices, as valued in silver coin, have never varied from the beginning, excepting during the time necessary for the public to become aware of the alteration; and excepting always the general variation in the price of money, occasioned by the increased abundance of silver in the rest of the world, in consequence of the substitution of paper in Russia.

In a country of such immense extent as Russia, and where the facilities of communication are not very great, must not the value of the currency differ very much in different parts of the empire?—During the augmentation or diminution of the paper, there must be a great deal of variation, in proportion as these changes may reach distant parts of the empire; but this has been in a great measure equalized, by the regulation of government as to the payment of duties.

In estimating the amount of the currency of this country, do not you consider the country bank paper as forming a part of it?—Undoubtedly.

In the event of such a reduction of bank of England paper, as to occasion considerable embarrassment to trade, might not the effect be, the introducing a more general circulation of country bank paper even in the Metropolis, or of producing the issue of some new paper?—I have not sufficient information to form a correct opinion in what precise manner the country bank paper is regulated by the issues of the bank of England; at the same time, as the country paper is payable in bank of England paper, I should suppose that the issues of country banks must be limited in a great measure by those of the bank of England; certainly if the bank of England paper was liable to be paid in specie, that liability would form a complete check to any over issue of country paper; as long as there is no liability to pay in specie, I should think a contraction of bank paper might, in many cases, occasion an issue of country paper in substitution.

Referring to a passage in the evidence of Mr. Thornton, before the Lords Committee of Security in the year 1797, in the following words: "the relief granted to the bankers in general, and to the commercial world, and to the public at large, is much the same, in my opinion, whether the bank of England paper (which I say is necessary as the means of circulation,) comes to the bankers and the public through the medium of government, from the bank of England, or whether it comes from the same bank of England through the medium of individual discounters;" have the goodness to state whether you concur in that opinion, or not?—The relief granted to the public at large, by more or less abundance of circulating medium, appears to me to be perfectly the same, whether that circulating medium be emitted by discount, or by any transaction of government, or by any other means whatever, it is undoubtedly of importance to the commerce of the country whether they get their usual facilities of discount; but this seems a question of more or less of capital for the purposes of their trade, and to have nothing to do with the general question, of any facility or distress that may arise from more or less abundance of circulating medium.

Supposing the bank to maintain 20 millions of notes in circulation, and supposing in one case that they issued 15 millions of their notes in loans to government, and 5 millions in the discount of merchants bills; and supposing in the other case they issued 15 millions in the discount of merchant bills, and 5 millions in advances to government, would not the commercial world be accommodated and their commercial transactions facilitated in a much greater degree, in the case of their advancing 15 millions in discount than in the other where it is supposed that they advance only 5 millions in discount?—Certainly, there can be no doubt, that, issued to merchants in the shape of discount, it is so much capital to them for carrying on their particular branch of business; if they have been in the habit of such facility, the withdrawing it would be attended with very considerable inconvenience to them; but under every circumstance the use of so much capital, whether given to merchants or manufacturers, or any other traders, must be a great facility to those to

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whom it is given; the same amount lent to government would undoubtedly have the effect of increasing the amount of money generally.

Supposing an invariable sum of 20 millions was issued by the bank, would not the same proportion of that sum be applied to the discount, whether it was issued on government securities or in the way of discount on bills, by the bank?—I think not.

Supposing the notes to have passed through the hands of government into the general circulation, and that when in that circulation they are used by bankers in the discount of bills; in that operation do they perform any other function than would be performed by a metallic circulation, which is that of applying other capital, namely, the capital of those discounting bankers on a short loan to the merchant—whose bills are discounted?—I should think so other.

In the case of the bank discounting bills by the issue of its own notes to merchants, in preference to lending them to government, is not that an application of the capital made applicable to commercial purposes, by supplying paper to perform the functions of gold, and thereby created and made operative to a particular purpose of facilitating and accommodating the merchants who employ it?—It is undoubtedly a new capital created, and operates as a capital to those to whom it may be lent.

Does not the advance made by the private bankers on the discount of a good bill operate equally as an increase of capital?—Certainly; but I do not see how the private capital of that banker is increased or diminished by the emission of the bank of England capital being lent to the government.

In that case, is it not a capital, previously existing, circulated by the notes originally issued by the bank?—In that case certainly.

Supposing the operation took place in coin, and that there were no bank notes in existence, would there be any difference whatever in point of accommodation to the merchant, whether fifteen millions of that coin were issued from the bank on government securities, and five millions in the way of discount, or fifteen millions in the way of discount, and five millions on government securities?—There would be every possible difference to the persons who received the accommodation; as I have said before, it would make no alteration in the general effect upon the country, and the circulating medium, in what manner it came out; but to the persons who received the accommodation it would produce the difference of having capital or not having capital.

You have stated, that Russia, in order to reduce its paper currency, has, within the last two years, imported gold and silver to the amount of ten millions, and that a similar operation has taken place, within the same period, in Austria, and to an equal extent, namely, ten millions, making together an importation of gold and silver into those two countries to the amount of twenty millions; is it not your opinion, that a country rich in manufactures, in trade, and in every thing that constitutes national wealth, can command a greater quantity of precious metals than can be acquired and retained by a country comparatively inferior in wealth, trade, and manufactures?—I think, certainly, that this country would have a greater facility than any other in obtaining a supply of the precious metals, not only from the extent and value of its exportable produce, but from its being the country through which the gold and silver of the new world usually passes to the rest of Europe.

From the answer you have now given to the last question, does not it follow, that if Russia and Austria, within the last two years, have imported 20 millions of gold and silver, that, referring to the comparative wealth of Great Britain to those two countries, Great Britain might have acquired, within the same period, a greater quantity than twenty millions?—The sums accumulated in Russia and Austria, of the precise amount of which I do not pretend to speak with any accuracy, have been drawn there, in a great degree, by loans made out of the respective countries, and by the contributions of France. I should think ten millions of specie a very large sum to draw into this country within one year, under the most favourable circumstances.

In stating the sum of twenty millions as imported by Austria and Russia within the last two years, have I not correctly represented that sum mentioned by you, as imported by those two countries, in your evidence on a former day?—Undoubtedly; but I never mentioned the sum with any pretension to accuracy.

You have stated, as your opinion, that, in the event of the resumption of cash payments, sovereigns or guineas would be preferred by individuals, for their own convenience,

convenience, to one-pound notes in retail transactions; do you found this opinion merely upon your own notions of convenience, or upon any observation of what actually took place in the year 1817, when a partial issue of gold coin was made by the bank, and when sovereigns and guineas were easily obtainable by any person who might think proper to apply to his banker for them?—Entirely from an opinion of what is likely to be the taste of the public; I have already said that I think the payment in sovereigns did not last long enough to ascertain by experience the correctness of this opinion.

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(12 March)

If the fact should be, that during that period large remittances were made by country bankers to London of guineas, and that the London bankers did send great quantities of guineas to the bank, would these facts not prove that there was at that period no great desire manifested by individuals to possess themselves of the gold coin?—I should not think these facts very conclusive; the old guinea, from the number that were under weight, was undoubtedly an inconvenient coin for any person to carry about for common purposes.

Is it your opinion, that the restriction upon cash payments has been and is favourable to the operations and speculations of those who engage in foreign loans, or to the investment of British capital in foreign securities?—I do not think there would be much difference in this respect between a system of cash payments and the present system, but during the progress of the preparations for going from one to the other, I apprehend there would certainly arise a distress and scarcity of money, that would impede considerably the investments in foreign securities.

Do you then, in point of fact, think, that during the last two years any facility has been afforded to those speculations, by the restriction upon cash payments?—I do not think they could have been made to the extent they have been made, if the bank, during those two years, had been in a course of preparation for cash payments. It is evident that this question operates upon a foreign investment in two ways; it operates against the investment, by making money scarce, and by the reduction of the value of the securities, reducing the inducement to people to go out of them into foreign securities; it facilitates the investment, on the other hand, by the improvement of the exchanges; but upon the whole, I think the effect in occasioning scarcity of money would preponderate.

Supposing the period for the resumption of cash payments, to be presumptively fixed for the month of March 1820, and the necessary preparations to be forthwith made by the bank to meet that event, do you not think that state of things would throw great difficulties in the way of any person in this country, who should in the interval be engaged in negotiating a loan in France, or any other continental country?—I should think it would, for the reason stated in the last answer.

You have stated, in referring to the bullion market of 1816, that the purchases of the bank intercepted gold, and prevented its going to the mint, is it your opinion, that if the bank had paid in cash at that period, the gold would have gone to the mint at or below the mint price?—The gold would have gone at the mint price always, supposing that the bank were not purchasers, but the bank might equally have been purchasers during an existence of cash payments; it is evident, that at equal prices, the public would go to the bank in preference to the mint, as being the readiest buyer.

In point of fact, then, a quantity of gold would at that period most probably have been converted into coin, and thereby added to the mass of currency of the country?—I think it would; but I apprehend it must have been employed by the bank for the same purpose, as the bank can have no other use for gold, but that of coining it into money.

From what has been stated by you in various parts of your evidence, is it not to be understood as your opinion, that an extended issue of the bank of England has a direct influence upon the market price of gold, and upon the rate of our foreign exchanges?—I have stated that to be my opinion.

Is it not also your opinion, that in a country with an inconvertible paper currency, a market price of gold permanently above the mint price, and a permanent depression in the foreign exchanges, are indications of the depreciation of such paper currency?—No doubt; I know of no other mode by which depreciation can be ascertained or measured.

Is it not also your opinion, that the degree of that depreciation may be measured by the degree of excess of the market price of gold above the mint price, and by the degree of depression of our foreign exchanges, below that level at which our foreign exchanges would be permanently kept under a system of cash payments?—It is.

Alexander Darling,
Esq.
(25 March.)

If a future period were now to be fixed by the legislature; suppose March or July 1822, or any other more distant period; for the positive resumption of cash payments; could, in your opinion, any legislative injunction upon the bank to prepare for payments at that period be more positive or imperative than what has been already expressed in the preambles of the Acts upon that subject, which passed the legislature in the years 1816 and 1818?—I do not recollect what the preambles of those Acts contained.

What other security, than the expression of the intention and wishes of the legislature do you think could be given for the resumption of cash payments at any future period, that might now be named for that purpose?—Undoubtedly any interference of the legislature with the management of the bank's concerns must be attended with great inconvenience; but I have no doubt that if the legislature should think it proper to lay down any principles or rules by which the bank should be governed, they would be strictly obeyed.

Would not a plan, of which you have doubtless heard, by which the bank of England paper should become convertible into gold bullion at the present market price of gold, say at the price of 81s. such price gradually to diminish in the interval, and before the period fixed for the resumption of cash payments, till it should reach the mint price, be a security to the public against any increase of paper beyond its actual amount, and afford the best prospect that could be given of the bank preparing itself for the resumption of its payments, at the period contemplated?—I believe I have already explained why I think the plan alluded to, would not afford any material facility for arriving at cash payments; as a measure of security, it would undoubtedly attain it, but it would attain it in the same manner as by fixing in any other positive manner the period for the resumption of payments.

Lmd, 15th die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

ISAAC LYON GOLDSMID ESQUIRE,

Called in; and Examined.

I. L. Goldsmid,
Esq.
(15 March.)

HAVE the goodness to state to the Committee what is your occupation?—I am a partner in the house of Mocatta and Goldsmid, who are brokers in bullion between the bank and merchants, and between merchant and merchant.

Have the goodness to describe what is the process of the importation and exportation, and the purchase and sale of gold and silver bullion in London?—In case of any arrival of bullion in London, we apply to the merchant, or he sends for us; we inform him the state of the market, whether there is a general demand for the article, and the price; he forms his own opinion with respect to the exchange, or some other circumstances he may think right, and then determines whether he will sell it at the market price, or require a higher one; we are pretty well acquainted with the buyers, and we endeavour to fix a price corresponding with the views of buyer and seller; as soon as we have done so, we enter it of course in our own books, and on the following morning very early we give a transcript of these transactions to the bullion office in the bank, and they are entered in their books; the name of the buyer, the name of the seller, the quantity sold, and the price, and from that account Mr. Humble, the clerk of the bullion office, receives it from the seller and delivers it to the buyer, receiving from him at the moment of the delivery, bank notes to the amount; I am now speaking of any article in bullion, whether it be gold or silver, the mode is precisely the same.

Whether in coin or in bars?—In bars there is some little difference.

Is Mr. Humble a clerk appointed by the bank?—He is; he is under the control of the bank; it is an accommodation to the public. If we should have sold bar silver or gold bars, of course there is an assay taken of the bar previous to the final settlement; whether these transactions be between merchants, or whether they be between the bank and merchants, they are precisely the same with respect to the receipt and the payment of the bullion, that no person can take away any bullion, unless he pays for it, not even by his own check, but in bank notes.

What is the course of the exportation?—The merchant who purchases, then

takes them away from the bank; they are packed up there, if he pleases, or he takes them to his own house, and has them packed; he may leave them there as a place of deposit for any number of years, without any expense; and so may any person whatever leave bullion there without selling, as a place of deposit and security.

J. L. Goldsmid,
Esq.
(15 March.)

Do you consider that the printed price of bullion, and the rates of exchange, in the list called Wetherall's list, may be depended upon?—The prices of bullion are taken from our information; and they are every one of them bottomed in real transactions.

Do you take the average of the number of transactions on any day?—The business that is done; if there is any price of bullion between the Tuesday and Friday, or the Friday and Tuesday, the price is printed according to the business that is done.

Suppose the price varies in the course of the day?—That is an occurrence which very seldom takes place; but if it does, we fix the price according to the price on the post day, the Friday and Tuesday.

With respect to the exchanges, are they to be depended upon, for the accuracy of the statement of the rate of exchange?—My information is only as a matter of curiosity, it is not an article that I trade in myself; but certainly not, the printed price generally varies from the actual price of business done; it is stated to be done, in order to make a difference between the qualities of paper that are on the exchange, the respective qualities of the merchants, merchants of the first character and of the second.

Have the goodness to explain, in detail, what you mean by the variation?—The early part of the exchange, that is, about three or half-past three in the day, some of the leading merchants and brokers fix the price of the exchange, that is, the price to be printed, and subsequently there is a great deal of business done after the prices are so printed, they vary from a half to one and a half per cent; and it is now the custom of merchants and of brokers to issue, besides Wetherall's list, a paper purporting to be the actual prices.

Is that second paper printed?—Yes, it is sent by different merchants to their correspondents; and I believe in some instances printed by those who are called, the exchange brokers.

What is the greatest variation you recollect to have taken place between the rates quoted in the paper made use of by the merchant, and the printed paper?—Five per cent; but that was under very particular circumstances, which I will explain; on the arrival of Buonaparte from Elba, the occurrence was known on a post day, and therefore on that account the difference was five per cent.

What has been the greatest amount of difference when there has been no such extraordinary event?—From a half to one and a half per cent, or perhaps two.

Have the goodness to explain the reason for that variation?—The price fixed at the early hour generally is a guide for persons to act upon; the variation arises from the quality of the paper; if the merchant stands in very high credit, he can do his business at a half or one, or one and a half per cent better than persons in worse credit.

Why do not they fix the printed rate according to the average between the good and the bad paper?—Because they print the price before the business is done, and therefore it cannot be ascertained whether one merchant wants to draw or another to remit, until the price is already fixed.

Do you mean by price, the rate?—Yes; on post-day some merchants and brokers at half-past three, come on change, and stating their opinion how the price ought to be printed; between that hour and five o'clock there may be a great deal of business done; and it may appear there may be either money or bills in abundance, and the merchants make their bargains accordingly.

Generally speaking, the rate which is printed, and of which the Committee has been in possession, is not taken from the result of actual transactions, but is only a guide for transactions about to take place?—That is exactly the case.

Is it founded on the supposition of merchants who came to the change, and the information they receive in their letters, or from the balance of their transactions of the previous day?—It is the merchants, united with the information the brokers then possess, of what in their opinion ought to be the exchange, stating their orders, and from their united information the exchange is fixed.

Is there any record kept of the paper used by the merchants?—Yes, persons keep *logs*; it has been a late habit, particular houses; John Gore, Baring's, Goldsmid's;

*F. E. Goldsmith,
Esq.*

(15 March)

and Rothschild's; independently of sending Wetenhall's lists, they send those prices on which business was actually done.

Is this corrected paper which is in possession of the houses you have mentioned always the same, do the copies that Mr. Rothschild gets, and Mr. Baring gets, precisely correspond?—Generally so; Rothschild might get information that business was done at a particular price, when others might not know it, but in general the prices of houses of that respectability are the same.

Have you kept copies of those corrected lists which have been delivered out from day to day?—No, I have not; but they are very easily to be procured, one or two brokers have printed them of late.

How long has this practice existed?—I should think three or four years; from the habit of brokers printing them, they have come generally into use.

Have the goodness to explain what you consider to be the nature of the connection between the price of gold, and the rate of exchange?—I should think that the price of gold and the exchange are allied to each other; that they depend upon each other, speaking generally.

How far is that dependence an invariable one?—There are instances to the contrary; a material difference cannot remain for any great length of time.

What are the circumstances which may have a temporary effect?—A very recent one occurred; the price of dollars was 5*l.* 6*d.* per ounce; a particular demand arose for the East Indies, there being a very small quantity in the market, and they got up to 5*l.* 9*d.* per ounce; the East India captains were obliged to have them within a very short time, much earlier than they could be procured from the continent, and they were therefore obliged to give a very extraordinary price for them; and if we were to refer to the price of exchange on the day when dollars were 5*l.* 9*d.* there would be a great discrepancy as compared to dollars.

At the time when the rise took place in the price of dollars, was there a corresponding rise in the price of both silver and gold bullion?—Certainly not, as to gold bullion; no change took place in the price of gold bullion at that time.

At that time, did the price of gold and silver bullion bear its proper proportion to the rate of exchange?—Silver bullion did not, from the circumstance I have mentioned; and we were applied to by several merchants to give our opinion, whether we thought this price would last, as they were prepared to give orders accordingly; we told them we considered it only a temporary one, arising from a particular circumstance.

Was the price of silver in bars affected?—It was, but not to the same extent; for bar silver was 5*l.* 7*d.* per ounce when dollars were 5*l.* 9*d.*

What is the difference in value between the standard silver and dollar silver per ounce?—Two pence farthing.

According to your statement, dollars were four pence an ounce more than they ought to have been at the market price?—Four pence farthing.

Or than dollar silver would have been in bars?—Precisely so.

Was the price of gold bullion affected at the same time that there was some alteration in the price of silver bullion?—No.

Then the price of gold bullion did agree, at that time, with the rate of exchange?—Yes; for the demand for one was for the continent, and the demand for the other for the East Indies; we did sell a small quantity for the East Indies at that time, but it was so trifling it did not make any alteration in the price.

If you refer to paper No. 5, you will find on the 5th of January 1815, the price of gold is quoted at 4*l.* 6*s.* 6*d.* and the Paris exchange 22. 40, and that on the 2d and 5th of May, in the same year, the price of gold was quoted at 5*l.* 6*s.* 0*d.* and the Paris exchange at 20. 0; have the goodness to explain the disproportion between the price of gold quoted and the rates of exchange in those two instances?—I cannot do it without reference, for it might have been some particular demand for gold; I can do it by referring to our books. I now recollect the circumstances, and can explain them; on February the 24th bar gold was at 29*l.* per ounce; on March the 21st, Portugal gold was at 94*l.* per ounce; on April the 4th and 7th bar gold was at 107*l.* per ounce, and I have no doubt that there was a discrepancy between the price of Portugal and bar gold, on the one hand, and the exchange on the other, and at the same time; for at that moment we gave considerably more than the value for bar gold and Portugal gold, than any thing would warrant, according to the rate of exchange, in consequence of the return of Buonaparte from Elba.

You speak of the price of gold in the house market?—I do; there was an extraordinary demand.

Must not you take into account the amount of the risk of insurance, in sending gold at different periods?—I must; but gold rose at that period very rapidly, beyond the exchanges considerably.

J. L. Goldsmith,
Esq.

(15 March.)

Can you assign any particular cause for it?—I have no knowledge of the transaction; but the current report was, that government were purchasers, through some medium of which we had no personal knowledge, for particular objects.

Might not the purchases of government, at that particular moment, carry the price of gold to a rate infinitely beyond its natural height, with reference to the then existing rates of exchange?—Decidedly so; there is no other mode of accounting for it, except in the way stated.

The period alluded to is that which immediately followed the return of Buonaparte from Elba?—Certainly.

Was there not a very general rumour existing at that moment, that government had given an order for the purchase of gold; and was it not believed that the fulfilment of that order from government had carried the price of gold to a very unnatural height?—It carried it much beyond its value, with reference to the exchanges; it is a circumstance with which I am not personally acquainted.

On the 5th of December 1815, the price of standard gold in bars was 4*l.* 2*s.* per ounce, and the exchange with Paris was 24*s.* 0. On the 16th of March 1816, the price of gold was still 4*l.* 2*s.* per ounce, and the exchange with Paris was 25*s.* 10. that is a case in which the price of gold is the same, and there is a difference of between four and five per cent in the exchange; how then can it be said that they fluctuate invariably, when for three months the price of gold continued fixed with that variation of the exchange?—I cannot account for it without referring; in March gold was high enough to leave a profit on its importation from the continent.

Who were the purchasers of gold?—The bank; the bank bought at that period a very large quantity of bullion, leaving to the merchants a fair profit upon that importation; and as the exchange rose, they lowered it according to their discretion, and brought the price of bullion down to 3*l.* 18*s.* 6*d.* At that period there were no other buyers in the market at the price, had there been, they would have been supplied on the same terms if they had wanted gold.

On the 22d of October 1816, the price of gold was 3*l.* 18*s.* 6*d.* and the exchange with Paris was 26*s.* 10.; on the 4th of April 1817, the price of gold was still 3*l.* 18*s.* 6*d.* and the exchange was 25*s.* 20. being a fall of very nearly four per cent?—The exchanges fluctuated at that period much, and were not to be depended upon for any great length of time, and of course it would not have been advisable to have lowered the price of gold below 3*l.* 17*s.* 10½*d.* at any period, because that is the coinage price.

Then in fact the exchange may fluctuate, and the price of gold not fluctuate?—When the gold is brought to 3*l.* 17*s.* 10½*d.* I should conceive, that unless a lower price was given for the gold than coinage price, which can hardly be, because all the gold may be sent to the mint to be coined, the exchange cannot vary much, with the exception of the expenses which would be required in its importation.

You account for it in this way, that the bank keep up the price of gold above that price to which it will naturally fall?—Supposing there were no bank in existence, I should import gold, and send it to the mint to be coined, and I should always be able to get 3*l.* 17*s.* 10½*d.* for it, and if the bank bring it down to 3*l.* 17*s.* 10½*d.* they do no more than any individual can do. The bank, at the period referred to, were purchasing the gold, and they did not lower the price till they saw that the exchange was fixed; then when they brought it to 3*l.* 18*s.* 6*d.* which was 7½*d.* within the coinage price, it continued so for a length of time.

If the bank had not been purchasers at 3*l.* 18*s.* 6*d.* do you believe the price of gold would have fallen to the mint price?—I think it might, after some time; but that is a matter of opinion only.

In the month of July 1819, the price of gold is quoted at 3*l.* 19*s.* and the price of silver at 5*s.* an ounce; does not that low price of silver make it probable that gold might have been purchased in the market at a less price than 3*l.* 19*s.* if the bank had not fixed that to be the price they would give for it?—No, I do not think that would guide you; because silver may not have been in any particular demand.

The exchange with Paris appearing to be 26*s.* 10. in October 1816, are you of opinion, that gold would have been imported with a profit at that rate of exchange,

E. L. Goldwin,
Esq.
(15 March.)

if the importer had carried it to the mint, to be coined at the rate of 3*l.* 17*s.* 10*d.* an ounce?—Certainly.

When the bank was purchasing gold in the years 1816 and 1817, did not they, in point of fact, fix the purchase price with a reference to the course of exchange, so as to afford a reasonable profit to the importer, and successively lower that price, as the exchanges became more favourable to this country, but still fixing it with a reference to the consideration above mentioned?—They did not make me acquainted with the motives that induced them to do so; but if I were asked what I believe upon the subject, I should say, I believe that to be the case. There is only one point I wish to state to the Committee; the bank had the power of lowering it only, because there were no other purchasers in the market at the price; but had there been other purchasers, they would have had their share of the market.

Does not it follow, from what you have stated, that any other purchaser could not obtain it under the price fixed by the bank, although if that demand was for a considerable quantity, he might raise the price beyond the limits so fixed?—If he gave the same price, he would participate in the market; he could not get it below the price, but he could get it at the same price. I have referred to the prices of the year 1797, and they appear to be 3*l.* 17*s.* 6*d.* for a great length of time, and so they have been for many years; the price never can be much under 3*l.* 17*s.* 10*d.* whether the bank or other persons are the purchasers.

Have the goodness to state what is the present state of the bullion market, in respect of the quantity and price?—There are at this moment about 180,000 dollars in the market; perhaps about £. 40,000 to £. 45,000 value.

At what price per ounce?—The last price was 5*s.* 6*d.* but there are buyers at 5*s.* 3*d.* and not higher; at present therefore it is a question, whether the price will be fixed 5*s.* 3*d.* or 5*s.* 5*d.*

With respect to gold bullion?—Foreign bar gold is 4*l.* 1*s.* 6*d.* per ounce.

Has it been falling lately?—It is now lower than it has been a short time ago, but not quite so low as at one time; it has been as low as 4*l.* 1*s.* lately; and there are sellers even now at 4*l.* 1*s.* 6*d.* per ounce. The price of gold that is smuggled out of the country, of which I know nothing of the transactions only by report, is 4*l.* 0*s.* 9*d.* and formerly there was a much greater difference between English and foreign gold.

What is the state of the market with respect to the supply of gold bullion?—Very small.

Supposing parties were willing to give a shilling more an ounce than the present market price, the exchanges remaining the same, would there be any difficulty in getting any quantity?—I have no doubt they could get a large quantity at 2*s.* per ounce more; but that is assuming that the exchanges would remain the same, which would not be the case; in the first place, there is the charge of exportation, then there is the profit of exportation, then there is the charge of importation and the profit of importation; the charges cannot be taken at less than one per cent, when all the regular expenses are paid, as commission, insurance, &c. and the profit at less than a half per cent. upon the exportation, and a half per cent. upon the importation; therefore it must be at least 2*s.* an ounce. The quantity that is in the market came from the West Indies, and is extremely small, and therefore it would require a great length of time before you could procure it, and there might be a great many fluctuations take place before we were capable of getting a large supply from that quarter.

When a person gives 81*s.* 6*d.* per ounce for gold in this market, when he comes to consider the profits he is to make by the sale of that gold again, he is to make, in your opinion, an additional expense, in order to cover the charge of exportation?—At least.

Supposing he could sell the gold he so purchased for 81*s.* 6*d.* to a person in the London market, and that the gold was subsequently used at home, would not that additional charge of 6*d.* intended to cover the charge of exportation, be removed?—Certainly.

Therefore, if the mint was to purchase for the purpose of coinage, and to give a shilling more than the present price of 81*s.* 6*d.* do not you think there would be such an inducement to the importation of gold, as would bring in a considerable quantity?—That can apply only to the gold that is in the market; it could not apply to the gold that is on the continent; we cannot expect any very large supply from any other quarter.

You mean that 81s. 6d. is not a price sufficient to cover the expense of importing gold from the continent, the exchange being what it now is?—Certainly not.

Do you think that any large quantity could be procured from abroad, without materially affecting the exchange?—Certainly not.

Why?—Because the balance of payments, I conceive, is at present against us.

Supposing the profit upon the importation of gold to be either more certain, or larger in proportion to the capital employed, than upon the importation of any other commodity, say corn for instance, would not gold be imported in preference to corn, in return for any commodities or manufactured produce of this country exported to the continent?—I conceive, either we should be obliged to lower the article that we export, or to give a very large price, in reference to that article, for the gold.

If the same quantity of manufactured commodities or produce is exported, can it make any difference in the price in England of those commodities, whether the return be made in gold or in any other article?—No, I should not consider that it would, provided no greater quantity was imported than was equal to the quantity exported; but it is now otherwise, as the balance of payments are against us, in consequence of the foreign loans, and other circumstances.

Supposing the foreign exchanges to rise to par, do you not believe that, at the present market price of gold, there would be a considerable influx of gold into this country from the continent?—Of course.

Do you suppose there would be a considerable influx of gold, the foreign exchanges being at par, even at a lower price than the present market price of gold, say at the price of 3*l.* 18*s.*?—No; it would not cover the expenses.

Have the goodness to state to the Committee whether, in the event of the resumption of cash payments, the market price of gold could, for the period of a month, be above the mint price?—In a state of perfect freedom of export, of course persons, in case they have to make remittances, as long as a bank note was in existence which could be exchanged for gold coin, recourse would be had to the gold in preference to the exchange, provided it would cover the expenses.

If cash payments were resumed, would not a person who should give even 3*l.* 18*s.* 6d. for an ounce of gold, be giving 3*l.* 18*s.* 6d. for that which he could obtain at the bank for 3*l.* 17*s.* 10*d.*?—In a state of freedom of export he would.

Supposing the present restriction on exportation to continue, would he not even then be giving 3*l.* 18*s.* 6d. for an ounce of gold in bar, which ounce of gold he could obtain in coin at 3*l.* 17*s.* 10*d.*?—There are two circumstances to be considered; the disinclination some persons have to export English gold, and the risk that others run who have no repugnance to export gold, except that which the law compels them to have; they must have a consideration for the risk they run in exporting it.

Without any reference to exportation, and looking at the consumption of a goldsmith or other manufacturer in this country, would not such a person be giving 3*l.* 18*s.* 6d. for an ounce of gold in bar, which he could obtain in our gold coin at the rate of 3*l.* 17*s.* 10*d.*?—Then he must melt it; there is a law against melting it; believe it is a capital offence, and he must fear that risk.

How long have you been in business?—Five-and-twenty years.

You have no recollection of the transactions before the resumption act took place?—Our house have been brokers to the bank ever since the bank was established in 1694.

Have you any knowledge of transactions previous to the year 1790?—I have bought with me some transactions in the year 1783, others in 1797, and others in 1815.

Are these transactions purchases of gold?—They are.

Have the goodness to state them?—I find that in March 1783 foreign bar gold was 81*s.* 9d. per ounce.

How long did that last?—I do not know exactly; I find that in May of that year, foreign coin, which was Portugal gold, was 82*s.* 3d. per ounce; and several times during the year, in March and November, bar gold was 79*s.* per ounce.

Did the bank make any purchases at those prices?—I cannot speak without referring to the books; but I should think not.

Can you ascertain that?—Certainly; in 1797 I find, from January to August, English bar gold was 3*l.* 17*s.* 6d. per ounce, from August to December it was 3*l.* 17*s.* 10*d.* per ounce, and from February to December coined gold was as low as 80*s.* per ounce, and as high as 86*s.* per ounce; in February it was 81*s.* in April 82*s.* 6d. in August 83*s.* 6d. in the same month 84*s.* in November 86*s.* in December 84*s.* and in the latter end of December 80*s.*

J. L. Gaskell Esq.
(13 March)

*J. L. Goldsmid,
Esq.*
(15 March.)

Did the bank purchase at those prices?—Without reference to our books I cannot say, but I should think not; the bank bought, but not at those prices; they bought gold melted from light English coin.

Do you happen to know, whether the exporters of gold from this country are themselves the persons who swear that it is gold which may be legally exported?—The exporters never, the importers generally; but there are exceptions.

Is it the practice for persons who export gold from this country to employ others persons to take that oath, which must by law precede the exportation of gold from this country?—Yes.

Do you know whether it is the practice for such exporters to give a per centage to the persons employed to export, and to take the oath referred to in the former question?—The mode in which they perform that transaction is this; they sell it to the persons at something less per ounce than the actual market price, they swear that it is not melted from guineas, and that it is not from any manufactured article of the country; but that is the case with all the retail shops who purchase foreign gold; there is no other mode for a retail shopkeeper to transact his business who sells wholesale, but that which I have stated.

Have you any information to give to the Committee as to the prices of gold upon the continent at any period?—I have no particular information of my own; my information is derived from the house of Goldschmidt & Co. of St. Helen's Place; I believe it to be true; it is only of the year 1817; these are the prices of gold in Paris, Amsterdam, and Hamburgh, in the year 1817, and the relation they bore to each other in those countries during those periods.

The witness delivered in the same; and they were read, as follows:

—AMSTERDAM.—

GOLD.		GOLD.		SILVER.	
3 January	13½	3 June	10½	15. —	45 18
7 "	14½	8 "	12	15. 10	45 "
10 "	15	10 "	12	15. 15	45 "
14 "	16	13 "	13	15. 15	45 "
17 "	14	17 "	12½	15. 15	45 "
20 "	16	20 "	12½	15. 15	45 "
24 "	15	24 "	12½	15. 15	45 "
28 "	14	27 "	12½	15. 15	45 "
31 "	14	1 July	12½	15. 15	45 "
4 February	13½	4 "	13	15. 15	45 "
7 "	13½	8 "	13	15. 15	45 "
11 "	14½	11 "	13	15. 15	45 "
14 "	14	15 "	13	15. 15	45 "
18 "	14½	18 "	13	15. 15	45 "
21 "	14½	22 "	13	15. 15	45 "
24 "	14½	25 "	13	15. 15	45 "
28 "	14½	28 "	13	15. 15	45 "
4 March	14½	1 August	12½	15. 15	45 "
7 "	14½	8 "	12½	15. 15	45 "
11 "	14	11 "	12½	15. 15	45 "
14 "	14	13 "	12½	15. 15	45 "
18 "	14	15 "	12½	15. 15	45 "
21 "	14	18 "	12½	15. 15	45 "
25 "	14	20 "	12½	15. 15	45 "
28 "	14	22 "	12½	15. 15	45 "
4 April	14½	25 "	12½	15. 15	45 "
7 "	14½	28 "	12	15. 15	45 "
11 "	14½	3 September	10	15. 15	45 "
15 "	14	4 "	11½	15. 15	45 "
18 "	14	8 "	12	15. 15	45 "
22 "	14	12 "	12½	15. 15	45 "
25 "	14	15 "	12½	15. 15	45 "
29 "	14	18 "	12½	15. 15	45 "
4 May	13½	22 "	12½	15. 15	45 "
8 "	13½	25 "	12½	15. 15	45 "
12 "	13½	28 "	12½	15. 15	45 "
16 "	13	1 October	11½	15. 15	45 "
20 "	13	7 "	11½	15. 15	45 "
24 "	13	10 "	11½	15. 15	45 "
28 "	13	13 "	11½	15. 15	45 "
31 "	13	16 "	11½	15. 15	45 "
4 June	13	19 "	11½	15. 15	45 "
8 "	13	22 "	11½	15. 15	45 "
12 "	13	25 "	11½	15. 15	45 "
16 "	13	28 "	11½	15. 15	45 "
20 "	13	31 "	11½	15. 15	45 "
24 "	13	3 October	11½	15. 15	45 "
28 "	13	7 "	11½	15. 15	45 "
1 July	13	10 "	11½	15. 15	45 "
4 August	13	13 "	11½	15. 15	45 "
8 September	13	16 "	11½	15. 15	45 "
12 October	13	19 "	11½	15. 15	45 "
16 November	13	22 "	11½	15. 15	45 "
20 December	13	25 "	11½	15. 15	45 "
24 January	13	28 "	11½	15. 15	45 "
28 February	13	31 "	11½	15. 15	45 "

Medium Silver - 25. 10
D. Gold - 11. 10

Amsterdam—continued.

J. L. Gelland,
Esq.
(25 March.)

1817:		GOLD.			GOLD.
4 November	"	- 12 1/2	2 December	"	- 11
7 "	"	- 13 1/2	5 "	"	- 11
11 "	"	- 12 1/2	9 "	"	- 10 1/2
14 "	"	- 11 1/2	12 "	"	- 11
18 "	"	- 11 1/2	16 "	"	- 10 1/2
21 "	"	- 11 1/2	19 "	"	- 11
25 "	"	- 11 1/2	23 "	"	- 10 1/2
28 "	"	- 11 1/2	30 "	"	- 10 1/2

HAMBURG.

1817:	GOLD.		GOLD.	SILVER.	
3 January	-	- 101 1/2	1 July	-	- —
7 "	-	- 102 1/2	4 "	-	- 100
10 "	-	- 101	8 "	-	- 99 1/2
14 "	-	- —	11 "	-	- 99 1/2
17 "	-	- 99 1/2	15 "	-	- 99 1/2
21 "	-	- 99	18 "	-	- 99 1/2
24 "	-	- —	22 "	-	- 99 1/2
28 "	-	- 99	25 "	-	- 99
31 "	-	- —	29 "	-	- 99
4 February	-	- 100	1 August	-	- 99
7 "	-	- 100 1/2	5 "	-	- 99
11 "	-	- 100 1/2	8 "	-	- 98 1/2
14 "	-	- 100	12 "	-	- 98 1/2
18 "	-	- 100 1/2	15 "	-	- 98 1/2
21 "	-	- 100 1/2	19 "	-	- 98 1/2
25 "	-	- 99 1/2	22 "	-	- 98 1/2
28 "	-	- 99 1/2	26 "	-	- 98 1/2
4 March	-	- 99 1/2	3 September	-	- 99
7 "	-	- 99 1/2	5 "	-	- 98 1/2
11 "	-	- 99	8 "	-	- 98
14 "	-	- 99	12 "	-	- 98 1/2
18 "	-	- 99 1/2	15 "	-	- 98 1/2
21 "	-	- 99 1/2	19 "	-	- 98 1/2
25 "	-	- —	22 "	-	- 98 1/2
28 "	-	- 99 1/2	26 "	-	- 99
1 April	-	- 99 1/2	30 "	-	- 98 1/2
4 "	-	- —	3 October	-	- 98 1/2
8 "	-	- —	7 "	-	- 98 1/2
11 "	-	- 99 1/2	10 "	-	- 98 1/2
15 "	-	- 99 1/2	14 "	-	- 98 1/2
18 "	-	- 99 1/2	17 "	-	- —
22 "	-	- —	21 "	-	- 98 1/2
25 "	-	- —	24 "	-	- 98 1/2
29 "	-	- —	28 "	-	- 98 1/2
30 "	-	- —	31 "	-	- —
1 May	-	- 99	4 November	-	- 98 1/2
6 "	-	- 99	7 "	-	- 98 1/2
9 "	-	- 99	11 "	-	- 98 1/2
13 "	-	- 99	14 "	-	- 98 1/2
16 "	-	- —	18 "	-	- 98 1/2
20 "	-	- 98 1/2	22 "	-	- 98 1/2
23 "	-	- 98 1/2	25 "	-	- 99
27 "	-	- —	29 "	-	- 98 1/2
30 "	-	- —			
3 June	-	- 100	2 December	-	- 98 1/2
8 "	-	- 100	5 "	-	- —
10 "	-	- 100	9 "	-	- 99 1/2
13 "	-	- —	11 "	-	- 99 1/2
17 "	-	- 99 1/2	15 "	-	- 99
20 "	-	- —	19 "	-	- 99 1/2
24 "	-	- —	23 "	-	- 99
27 "	-	- 99 1/2	26 "	-	- —
			30 "	-	- 99

75. 10

Recapitulation:

1st Quarter	-	- 99 1/4
2nd "	-	- 99 1/4
3rd "	-	- 99
4th "	-	- 98 1/4
		41 397 1/4

Mean price of Gold
for 1817 - } 99 1/4

D° - - Silver - D° 95.00

Recapitulation:

1st Quarter	-	- 99 1/2
and "	-	- 99 1/2
2nd "	-	- 99
4th "	-	- 98 1/2
		4) 397 1/2
Median price of Gold for 1817	-	99 1/2
D ^r . . . Silver - D ^r		95.11

—P A R I S.—

J. L. Galland
Exp.
(25 March)

1817:		GOLD.	SILVER.	1817:		GOLD.	SILVER.
1 January	-	1.7/00	1.7/00	25 June	-	1.7/00	1.7/00
3	-	1.7/00	1.7/00	27	-	1.7/00	1.7/00
8	-	1. 50 1/00	1. 50 1/00	29	-	—	—
10	-	1. 50 1/00	1. 50 1/00	30	-	1.7/00	1.7/00
12	-	1. 50 1/00	1. 50 1/00	2 July	-	4 1/00	4 1/00
15	-	1. 1/2 1/00	1. 1/2 1/00	11	-	4 1/00	4 1/00
17	-	1. 25 1/00	1. 25 1/00	12	-	3 1/00	3 1/00
19	-	1.7/00	1.7/00	13	-	4 1/00	4 1/00
21	-	1.7/00	1.7/00	18	-	4 1/00	4 1/00
22	-	1.7/00	1.7/00	20	-	4 1/00	4 1/00
24	-	1.7/00	1.7/00	25	-	4 1/00	4 1/00
26	-	1.7/00	1.7/00	27	-	4 1/00	4 1/00
29	-	1.7/00	1.7/00	1 August	-	3 1/00	3 1/00
31	-	1.7/00	1.7/00	2	-	2. 50 1/00	2. 50 1/00
2 February	-	1.7/00	1.7/00	10	-	2 1/2 1/00	2 1/2 1/00
5	-	1.7/00	1.7/00	11	-	2 1/2 1/00	2 1/2 1/00
7	-	1.7/00	1.7/00	17	-	2. 50 1/00	2. 50 1/00
11	-	1.7/00	1.7/00	18	-	2. 50 1/00	2. 50 1/00
14	-	1.7/00	1.7/00	22	-	2. 50 1/00	2. 50 1/00
16	-	1.7/00	1.7/00	24	-	2 1/2 1/00	2 1/2 1/00
18	-	1.7/00	1.7/00	27	-	2. 50 1/00	2. 50 1/00
21	-	1.7/00	1.7/00	29	-	2. 50 1/00	2. 50 1/00
23	-	1.7/00	1.7/00	31	-	2. 50 1/00	2. 50 1/00
25	-	1.7/00	1.7/00	1 September	-	2. 50 1/00	2. 50 1/00
28	-	1.7/00	1.7/00	2	-	2 1/2 1/00	2 1/2 1/00
2 March	-	1.7/00	1.7/00	5	-	2 1/2 1/00	2 1/2 1/00
4	-	1.7/00	1.7/00	7	-	—	—
7	-	1.7/00	1.7/00	9	-	2. 50 1/00	2. 50 1/00
11	-	1.7/00	1.7/00	15	-	2. 50 1/00	2. 50 1/00
13	-	1.7/00	1.7/00	16	-	2. 50 1/00	2. 50 1/00
16	-	1.7/00	1.7/00	19	-	2 1/2 1/00	2 1/2 1/00
18	-	1.7/00	1.7/00	22	-	2. 50 1/00	2. 50 1/00
21	-	1.7/00	1.7/00	25	-	2 1/2 1/00	2 1/2 1/00
23	-	1.7/00	1.7/00	28	-	2. 50 1/00	2. 50 1/00
25	-	1.7/00	1.7/00	30	-	2. 50 1/00	2. 50 1/00
28	-	1.7/00	1.7/00	1 October	-	2. 50 1/00	2. 50 1/00
30	-	1.7/00	1.7/00	7	-	2.7/00	2.7/00
4 April	-	1.7/00	1.7/00	8	-	—	—
6	-	1.7/00	1.7/00	10	-	2.7/00	2.7/00
7	-	1.7/00	1.7/00	12	-	2. 50 1/00	2. 50 1/00
8	-	1.7/00	1.7/00	21	-	3 1/00	3 1/00
11	-	1.7/00	1.7/00	22	-	3 1/00	3 1/00
13	-	1.7/00	1.7/00	23	-	3 1/00	3 1/00
15	-	—	—	24	-	3 1/00	3 1/00
16	-	1.7/00	1.7/00	25	-	3 1/00	3 1/00
18	-	1.7/00	1.7/00	26	-	3 1/00	3 1/00
20	-	1.7/00	1.7/00	27	-	3 1/00	3 1/00
22	-	1.7/00	1.7/00	28	-	3 1/00	3 1/00
25	-	1.7/00	1.7/00	1 November	-	3 1/00	3 1/00
27	-	1.7/00	1.7/00	4	-	3 1/00	3 1/00
30	-	2.7/00	2.7/00	7	-	3 1/00	3 1/00
4 May	-	—	—	11	-	2 1/00	2 1/00
6	-	—	—	12	-	2 1/00	2 1/00
11	-	—	—	13	-	2 1/00	2 1/00
14	-	—	—	14	-	—	—
15	-	—	—	15	-	1.7/00	1.7/00
16	-	—	—	21	-	1.7/00	1.7/00
18	-	—	—	22	-	1.7/00	1.7/00
20	-	—	—	25	-	1.7/00	1.7/00
22	-	—	—	26	-	1.7/00	1.7/00
25	-	—	—	28	-	1.7/00	1.7/00
27	-	—	—	29	-	1.7/00	1.7/00
30	-	—	—	1 December	-	1 1/00	1 1/00
3 June	-	1.7/00	1.7/00	5	-	1 1/00	1 1/00
4	-	1.7/00	1.7/00	8	-	1 1/00	1 1/00
8	-	1.7/00	1.7/00	9	-	1 1/00	1 1/00
9	-	1.7/00	1.7/00	12	-	1 1/00	1 1/00
15	-	1.7/00	1.7/00	15	-	1 1/00	1 1/00
20	-	1.7/00	1.7/00	18	-	1 1/00	1 1/00
22	-	1.7/00	1.7/00	19	-	1 1/00	1 1/00
24	-	1.7/00	1.7/00	20	-	1 1/00	1 1/00
26	-	1.7/00	1.7/00	21	-	1 1/00	1 1/00
28	-	1.7/00	1.7/00	22	-	1 1/00	1 1/00
30	-	1.7/00	1.7/00	23	-	1 1/00	1 1/00

106 } 203 1/2 1/00 1. 1/2 1/00

—PARIS:—

7 Kilogramme, fine.

Mint price of bar gold, F. 3424. 44	-	-	-	Bar silver	-	-	218. 28		
Add agio, $1\frac{1}{2}$ p. mil.	-	-	6. 04	-	-	Agio, $1\frac{1}{2}$ 700	-	-	31
<u>F. 3430. 48</u>				-	-	-	-	<u>F. 229. 06</u>	

The market proportionate value between gold and silver, in 1817, = = = 15 $\frac{11}{16}$.

J. L. Gillemin.
Esq.
(15 March.)

—HAMBURG:—

Median price of gold through the year, 20 $\frac{1}{2}$ shillings banco, p' dant; of which 67 are a mark, of the fineness of $\frac{925}{1000}$, making by 489. 11 p' mark, of the fineness, or 1^{re} mark, fine - - - - - 1^{re} p' 444. 8 $\frac{1}{2}$.

Price of silver, p' mark, fine - - - - - 1^{re} p' 27. 12.

The market proportionate value between gold and silver, in 1817, = = = 15 $\frac{11}{16}$.

—AMSTERDAM:—

Price of a mark of fine gold	-	-	-	C. 325 —
Add agio, - 12 p' c'	-	-	-	- = 43 12 $\frac{1}{2}$
Price of mark, fine				<u>C. 400 12 $\frac{1}{2}$</u>
Price of silver, per mark, fine				<u>C. 25 12 $\frac{1}{2}$</u>

The market proportionate value between gold and silver, in 1817, = = = 15 $\frac{11}{16}$.

When I was asked as to the present state of the market I omitted to mention that the price of doubloons is 8s. 2. per ounce, being about six per cent higher according to its intrinsic value than any other species of gold.

Doubloons are below the standard?—Doubloons are four shillings and six pence per ounce below the standard, and they are six pence per ounce of greater market value than the standard. I have brought with me an account of the prices of gold in England, in the year 1817, with the average value, according to the market, between gold and silver at that period.

The witness delivered in the same; which was read, as follows:

		GOLD.	SILVER.	Proportionate Average Value.	Annual Average Value.
1817:					
January	-	3. 18. 6. s' 3. 19 p' m. m'.	60 s. to 61 s. p' m. m'.	15. 61	15. 308.
April	-	3. 18. 6. s' 3. 19	61 $\frac{1}{2}$	15. 369	
July	-	3. 19. s' 4. 20	62 $\frac{1}{2}$ s' 63 $\frac{1}{2}$	15. 144	
October	-	4. 0. 0	63 $\frac{1}{2}$	15. 118	

EBENEZER GILCHRIST, ESQUIRE;

Called in; and Examined.

Ebenezer Gilchrist,
Esq.

ARE you connected with any of the chartered banks in Scotland?—I am with the British linen company.

Have the goodness to state to the Committee what was the state of the circulating medium in Scotland, previous to the bank restriction in 1797?—That is a question I cannot answer; I did not reside in Scotland previous to the year 1797.

Can you give the Committee any general information with respect to the number of country banks in Scotland?—There are about three-and-twenty country banks in Scotland, besides the three chartered banks.

How many branches are there of the chartered banks?—I cannot exactly answer the question, but I should think from 30 to 35.

Those are exclusive of the 23 country banks?—Yes.

3 H

Have

Edmond Gibb, Esq.
(15 March.)

Have the goodness to explain to the Committee what is the state of the circulating medium in Scotland; does it consist chiefly of small notes, and do all the banks indiscriminately issue small notes?—The circulation of Scotland consists principally of small notes under £. 5.

Do all the banks with which you are acquainted issue notes under £. 5?—Yes, they do; there are some houses that do not issue notes in Edinburgh, but all the country banks issue notes.

In what are the notes of the chartered banks payable?—In bank of England paper, when demanded.

In what are the country bank notes made payable?—In bank of England notes, when demanded.

Are there any that issue notes payable in the notes of either of the chartered companies?—No.

Do bills of exchange for small sums form any part of the circulating medium of Scotland?—No.

It consists entirely of notes issued by the chartered companies and by the country banks?—Entirely.

Does any considerable proportion of the circulating medium of Scotland consist of bank of England notes?—I do not think they circulate at all, when they find their way into Scotland they are carried to the banks and exchanged for the notes of the country.

A preference is given to the notes of the country in consequence of the difficulty of detecting forgeries?—I do not consider that to be the reason; but when people do get bank of England notes they uniformly carry them to the banks, and exchange them for the notes of that bank.

Can you form any estimate of the amount of the circulating medium of Scotland at present?—I should think the whole of the circulating medium of Scotland is from two millions and a half to three millions.

On what is that estimate founded?—The ground on which I form the opinion is this; I know the circulation of the chartered bank for which I act, and I form an opinion of the probable circulation of the other two chartered banks, and I consider that the three chartered banks possess half the circulation of the whole of Scotland.

When you say they possess half the circulation, you must mean to include their branches?—Yes.

Do you think the amount of paper in circulation at different periods since the restriction has varied very considerably?—I believe some statement has been sent from the British linen company to this Committee, of the variation that has taken place in their own circulation; but I can form no judgment of the variation that has taken place in the circulation of other banks.

Is there any gold in circulation in Scotland at present?—No, not at present.

Can you state the amount of silver coin in circulation?—I cannot answer that.

In the statement which has been forwarded by the British linen company, of the variation in the amount of circulation between the 1st January 1810 and the 26th of February 1819, it appears, that on the 5th April 1811, the amount in circulation, assuming one thousand as the standard to which the reference is made, was 752, and on the 1st of January 1819, it was 1,334; can you state the reasons which have led to so great an increase in the circulation of 1819 as compared with 1811?—I should not have supposed that the variation in our circulation had been so much as that; it was of very short duration, I perceive; I cannot explain this without reference to some accounts at home.

Do you conceive the low amount in 1811 may be attributed to circumstances peculiarly affecting the concern with which you are connected, or were there circumstances which affected other banking establishments in Scotland?—It must have been quite general.

In what way are the issues of the bank of Scotland made?—They are made on discounted bills, on granting what we call cash accounts, giving a person credit to a certain amount, in the form of a cash account, which he is able to draw out as he wants it, and to replace it as he finds it convenient.

Does the party make any deposit previous to that cash account?—No; it is done on security lodged.

What is the nature of that security?—Security by bond, by two securities for the sum they require, or more if it is desired; and then they are allowed to draw out as they wish, replacing it as it suits their convenience.

Do

Do the country banks make their issues in the same way?—Yes, exactly in the same manner. Electoror Gilschrist,
Esq.

Do they make any issues on mortgage or landed security?—No, I do not think they do. (15 March.)

What time have the bills which are discounted by the banks in Scotland to run?—The common date at which they discount bills does not exceed three months; but particular transactions may lead them occasionally to discount at a longer date.

What is the rate of interest at which they discount?—They take off 5 per cent.

The country banks as well as the chartered banks?—Yes.

Are there no instances in which they discount at a lower rate than 5 per cent?—No.

By what criterion does the British linen company regulate the amount of their issues; do they discount all good bills that are offered at a certain date?—They very seldom refuse to discount any good bills, which they consider to be drawn for a real transaction.

If they are satisfied the bill arises out of a real commercial transaction, they make no objection?—No.

Upon the issues that take place in the cash account, what rate of interest do they charge there?—Five per cent.

Then the amount of circulating medium of Scotland depends entirely upon the demand for the discount of good bills, and upon the application for credit?—It chiefly depends upon that; a variety of circumstances might occur connected with the general credit of the country, and the general state of the country, that might induce the banks to take that into consideration, in giving accommodation to the country.

Are you aware, that previous to the bank restriction, there was very little gold in circulation in Scotland?—I have always understood very little; one pound and one guinea notes at all times circulated in Scotland, even previous to the restriction.

Those notes were payable in Scotland?—Yes, but payment was very seldom demanded, I understand; I did not live in Scotland previous to 1797.

In the event of the resumption of cash payments, do you think a preference would be shown for gold coin above bank notes?—I do not think there would.

That the people would be perfectly satisfied with the present paper circulation?—I conceive so.

Can you give the Committee any reason to judge of the probable amount of gold coin that would be necessary for conducting business in Scotland?—No, I cannot give any answer to that question; I have understood, that previous to 1797, when gold might have been had, at no period was it asked for to any extent from the Scotch banks, and therefore I consider that the same thing would be the case if the bank was to resume its payments again.

Do you think that a sudden and very considerable reduction of bank of England paper, would produce a corresponding effect upon the bank paper of Scotland?—I think it would.

Has the reduction which took place in the course of last year produced that effect upon the circulating medium of Scotland; in the three first months of 1818, the amount of Bank of England paper in circulation was more by three millions than in the three last months of that year?—I think it is very probable it might produce that effect, but I cannot actually say that it did.

You think, generally speaking, the amount of paper in Scotland bears some fixed proportion to the amount of bank of England paper?—I should think so.

You think the reduction of bank of England paper would affect the circulating medium of Scotland?—Yes.

Supposing it were necessary, in order to the resumption of cash payments, that the bank of England paper should be reduced, that would produce an effect in Scotland?—Yes.

Do you think any other effects might be produced?—I think it might produce considerable distress in Scotland.

In what way?—In the first place, I think it would produce a reduction of the circulating medium which now exists in Scotland; for if the banks there are to be compelled to pay in specie, which they would be, if the bank of England resumes its payments, they would not issue their notes, which would immediately return upon them for gold.

Do you think there would be a greater demand for gold after the resumption of

*Witness Gilchrist,
Esq.
(15 March.)*

each payments now, than there was previously to the restriction in 1797?—I think there might be, if gold remained as much above the mint price as it now is; I have no doubt then they would be called upon to pay their notes in gold.

You think the inducement to demand the gold, would be to realize the profit upon gold?—Yes.

Supposing there was no inducement to require gold on account of the temptation of profit, and that the market price of gold was at or below the mint price, do you think there would be any demand for gold in Scotland to circulate as coin?—No, I think not.

Would the British lines company refuse to open a cash account with any person in whom they had confidence?—No.

They would permit all persons in whom they placed an implicit confidence, to open a cash account with the bank?—Yes; but these cash accounts are to a very small amount; the chief issue is upon discounted bills.

Can you state the proportion between the issues on the cash account, and those on discounted bills?—It is not a tenth part, I dare say, nor anything like it.

Has that proportion been tolerably fixed?—It very seldom varies.

Do you think that proportion is maintained by the other two chartered companies?—I should think so; there are none of them give large cash accounts, the common run of them is but for a few hundred pounds.

Have the goodness to explain what in the nature of the transactions induces you to open a cash account?—They are generally to a very small amount; the object in granting a cash account is, that there is a small benefit arises from the circulation of the notes, in consequence of people throwing small transactions through the banks, and in that way they circulate the small notes of the bank, which find their way into circulation, and are continued longer in circulation than notes of a large amount; that is the sole object of granting a cash account.

You have stated, that prior to 1797 very little or no demand for gold was at any time made upon the Scotch banks; do you attribute this advantage of the banking system in Scotland to the superior conveniences of paper over gold, or to the superior confidence of the people in the solidity of the Scotch banks, or to both these considerations?—I think to both.

Has there been any failure of a Scotch bank within your recollection?—There has been one, I think; they have since paid, I believe, fourteen shillings, and are expected to pay in full.

Is there any circumstance in the constitution of banks in Scotland which, in your judgment, gives them a superior solidity over country banks in England?—The country banks in Scotland are conducted precisely upon the same principles as the chartered banks; and as there is no limit to the number of partners in Scotland, I conceive that this affords greater security; and besides, the landed property of a banker is applicable to the payment of his debts were he to die insolvent, which, I believe, is not the case in England.

What is the plan on which the banks in Scotland are conducted?—That which I have stated, the accommodating the public on discounted bills, and cash accounts.

They do not engage in speculations of their own?—No; the bankers in Scotland engage in no trade or speculations of their own, but confine themselves to discounting, and to advances in the way of their business as bankers.

Is this one of the circumstances to which you attribute their greater safety?—Yes.

Is the number of partners in any Scotch bank limited?—No.

In point of fact, are there Scotch banks, in which the number of partners is very considerable?—There is one bank in Edinburgh, which has existed about five or six years, where the partners are pretty numerous, some hundreds, I believe; but that is a solitary instance; the private bankers in Edinburgh, with the exception of that one, do not exceed six or eight; some of the banks in the country have more partners.

Is there any bank in Scotland which has varied the number of days at which bills are drawn upon London?—Yes, there is one bank, lately established; Mr. Maclure of this town has opened a bank in Scotland, different banks indeed, in Edinburgh, Glasgow, Aberdeen, Dundee and Montrose.

Do these banks supply bills at a shorter date?—He draws at a shorter date than the other banks.

Is any premium given now for bills at sight?—Yes, about a quarter per cent.

Do those new banks give that premium?—No.

Do you conceive this innovation in the system of drawing on London will at all affect the circulation of Scotland in its amount?—I conceive it will have no effect upon the circulation of Scotland; as Mr. Maclure does not issue notes to any extent, his transactions consisting chiefly in drawing bills upon London for the notes of other banks, the payment of which he immediately demands in bank of England paper. He, by public advertisement, offers to give 4 per cent for money deposited with him, however short the time may be that it remains in his hands. He likewise advertises that he will purchase stock for the account upon a deposit of five per cent at the time the order is given; and such being the nature of his transactions, I do not think it can affect the circulation of Scotland.

You consider it merely as a concern for the consideration of the individual who embarks in it?—Yes.

What quantity of silver do you conceive to be circulating in Scotland?—I cannot form any correct notion of that; I think, since the exchange of the coin when the new silver came out, the British linen company has got from London about sixty or seventy thousand pounds, but what the other banks have got, I cannot say, perhaps more.

Has any inconvenience been found from the forgery of notes, of any of the banks in Scotland?—No very material inconvenience; at the time the French prisoners were in the neighbourhood of Edinburgh, they used to carry on a good deal of that sort of trade, sending out forged notes, but it never existed to any extent worth consideration; we have generally paid all the forged notes that ever were presented to us, and I am pretty certain, that in the course of twenty years it has not amounted to £500.

Do you consider the forgeries as less now than at the time you allude to, when the French prisoners were in this country?—Yes.

Was there any period in which the paper circulation of Scotland, consisting as it did before the restriction, of notes as low as one pound, was subject to any great fluctuation, owing to the demand for gold, or bank of England notes?—No, I do not think there was.

Is any particular caution or contrivance used in the manufacture of the notes of the different banks, by which you conceive forgeries are prevented?—No, I do not think there is; in general they are very poorly executed.

Have not the trade and manufactures of Scotland greatly increased since the bank restriction?—Very much indeed.

Do you believe the circulation of the different banks to have increased in a greater proportion than the trade and manufactures?—No, I do not think it.

Would you consider the amount of that circulation as a safe criterion of the extent of the increased trade?—Yes.

Supposing the restriction upon cash payments had not been imposed upon the bank in the year 1797, do not you believe that the increase in the amount of the paper circulation in Scotland would have kept pace with the increase of its trade and manufactures?—Yes, I think it would.

Have you any knowledge of what the amount of paper circulation in Scotland might have been previous to the restriction?—No.

Do not you believe that there is more speculation in trade going on, more of that which is called over-trading, in consequence of the restriction upon cash payments, than existed prior to that?—I do not know what existed prior to that, therefore I find myself at a loss in drawing a comparison.

Do you believe that at present there is a great deal of over-trading existing in Scotland?—I am at a loss to say whether it is over-trading or not; there is certainly at this moment a very considerable stagnation in Scotland, but what produces that stagnation, whether it is over-trading or not, I cannot say; very probably it is.

Is not stagnation frequently the consequence of over-trading?—Certainly.

Do you believe that the present stagnation may be in any degree attributed to that over-trading?—Yes.

Have not most of the great improvements in trade and manufactures originated at first in doubtful speculations?—I think they have.

Is a system of doubtful speculations, a system which you would think advantageous to the adoption of any country?—No.

Eleazer Gilchrist,
Esq.
(15 March.)

Mercredi, 17^e de Mars, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

ISAAC LYON GOLDSMID, ESQUIRE,

Again called in; and Examined.

E. L. Goldsmid,
Esq.

(17 March.)

HAVE you any addition to make to your evidence?—I have referred to the two points to which the Committee alluded when last I had the honour of being here, and I think I can satisfy them upon those points; as one of the Evidences before the Committee has expressed doubts whether the prices of bullion quoted in *Wentshall's* list corresponded with actual transactions. I beg leave to state that, if necessary, I have brought my books to satisfy the Committee on that head; and if any farther doubts should be entertained, they can be easily removed by referring to the books at the bullion office, where an account of every transaction that passes through our hands is kept. I am of course anxious to satisfy the Committee, that the mistake under which the Evidence alluded to seems to labour, should be corrected. It is impossible to account for every discrepancy between bullion and the exchanges, because a merchant having a large sum to remit might be of opinion that he could not procure a sufficient quantity of bills of the first quality, without depressing the exchanges below the price bullion would cost him, and these remarks must have applied particularly to the purchases of bullion by government during the late war: but with respect to the two circumstances the Committee have pointed out; first, with respect to the prices of bullion, and the exchanges in 1815. When Buonaparte returned to the continent considerable purchases were made in English gold by various persons, and these transactions raised the price of foreign gold; no reference can in this instance be made to the relative proportions between bullion and the exchanges, as it was done in anticipation of what the exchange would be, and not the one which was printed. The second question, which refers to the relative proportion between the exchanges and bullion in January and April 1816, may be answered thus; that the gold that was sold in January was small in quantity, and came from Lisbon and the West Indies; none came from the continent at that period. In the middle of February and March the French exchanges improved, and gold was imported; it was suffered to continue by the bank a short time at the price of £3s. in order to enable those orders which were given on the faith of that price to be completed; and then gold fell. In case any Evidence should hereafter express doubts whether prices quoted at any period whatsoever are the prices of real transactions, I beg the Committee will have the goodness to refer to the bullion office for a copy of the actual transactions of that period, and they will see that those prices are confirmed in every respect. I hope that the Committee will allow me to say, that I could not avoid being anxious about the impression that the evidence alluded to might have occasioned, the house in which I am concerned, never having, either directly or indirectly, transacted business in bullion on our own accounts: we have always enjoyed the most unlimited confidence as to the correctness of our statements; and to prove the accuracy of these observations, we could not select any persons more competent for that purpose than some of the honourable members of this Committee, and Mr. Baring himself. I have brought with me a book of the exchanges, conformably to the desire of the Committee, to show the prices at which the exchanges were quoted, and those at which transactions were effected.

On adverting particularly to the book which you hold in your hand, have you reason to think that the variation in exchange between the printed prices, and the prices that are quoted for individual merchants, is not greater than that which you stated to the Committee when you were last examined, and which was within the limit of two per cent?—From a half to two per cent, except on the extraordinary day to which I alluded, which was the time of the return of Buonaparte from Elba.

Is the explanation you have been now desirous of giving to the Committee calculated merely to confirm the accuracy of the prices of bullion, as printed in *Wentshall's* weekly list?—It is.

Would a reference to the records of the bullion office at the bank, confirm the accuracy of those printed prices?—Certainly.

You have stated that the price of bullion was raised very high at the period of Buonaparte's return from Elba, in consequence of persons having been employed to purchase gold at that period?—It was.

Do you know that the persons so referred to, or have you any reason to believe, that they were persons employed for the purpose of purchasing gold for Government?—The current report was that it was so, at that time.

Have you any reason to believe that the government employed any person to purchase English gold for the purpose of exportation, knowing it to be such?—All I know upon the subject is, that there was a great quantity of English gold purchased at that period, and that the price rose very rapidly; I do not know any other circumstances connected with it.

Has the alteration of the coinage law respecting silver, whereby a seigniorage is now taken from the silver coin at the mint, and the coinage of silver being no longer open to the public, but confined to government, and the legal tender in silver being limited to 40s. produced any sensible effect upon the relative prices of gold and silver bullion in the market?—I think it has had some effect upon the relative value; as the relative value between gold and silver coin has been altered by the mint regulation, there is a less disposition to export silver coin, or to melt it, than there formerly was; and that if the exchanges were against us, persons would export gold coin in preference to silver, because the gold bears a higher relative value on the continent, and in its coin, than it does in this country.

Can you state any instances of gold or bullion bearing a higher price than the mint price before February 1797; and also whether the bank purchased at that higher price in any of the instances?—From the year 1790 to the year 1796 inclusive, I see by examining our books, that gold was £. 3. 17 s. 6 d. an ounce invariably; that the bank did not purchase, as far as our knowledge goes, any gold beyond that price; that in the year 1792, Portugal gold coin varied from £. 3. 18 s. 6 d. to £. 4. 1 s. an ounce, but that the bank did not purchase any of that gold, as far as our information goes.

JOHN SMITH, ESQUIRE,

A Member of the House; examined.

BE good enough to state what is the principal line of business of the house with which you are connected?—The house in which I am engaged in London, are bankers exclusively.

With what country banks are they principally connected?—The country banks with which they are principally connected, are country banks in Scotland, one at Bristol, and in the midland counties.

Supposing, with a view to restore a favourable rate of exchange, and to reduce the price of gold, a further and gradual reduction should be made in the amount of the issues of the bank of England, to the extent of three millions below the present amount, which is understood to be twenty-five millions; what do you think would be the effect produced upon the commercial and manufacturing interests of this country, supposing a period of nine months were allowed for the bank to make that reduction?—I think such reduction in such a period would create great distress and embarrassment.

Have the goodness to state the grounds on which you form that opinion, and in what manner the distress and embarrassment would arise?—I consider that such a reduction of bank notes would have the effect of crippling all persons engaged in money transactions, and generally in commerce.

Do you conceive that embarrassment has arisen in those parts of the country respecting which you have local information, in consequence of the reduction that has recently taken place in the amount of bank of England notes, as compared with their amount at the commencement of last year?—I think not.

You do not attribute the present alleged stagnation of trade, to the reduction which has taken place in the amount of bank of England notes?—I do not in any degree, as far as my observation can enable me to form an opinion upon such a point.

To what other causes do you think that stagnation may be attributed?—I think it has arisen in some degree from over-trading and trading upon borrowed capital, and I consider it to be one of those changes that to me appear inseparable from

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the nature of commerce, though I cannot perhaps distinctly explain why that should occur.

Do you mean that it is a change inseparable from the nature of commerce generally, or that it is a change which is inseparable from commerce conducted as it is upon the principles of a paper currency not convertible into coin?—I apply that answer to the state of commerce, as it has been carried on for some years in this country by the present paper circulation.

You think then, that in consequence of too abundant an issue of paper, and too great facility given to persons with small capital to embark in commercial enterprises, the over-trading to which you refer has arisen?—I certainly do think that there has been too great a facility, for some years, in obtaining capital for carrying on business, and I think individuals have been led into speculations by such facility, and have injured themselves by it; how far such proceeding is injurious to the country, I am not prepared to say, because I am aware of the importance of encouraging commercial enterprise; it appears to me, that during the last few years there has been a greater facility in negotiating what I call accommodation paper, than existed formerly.

If a reduction from twenty-eight millions to twenty-five millions, has not contributed in any degree to produce the embarrassment under which certain districts of this country are at present labouring, why do you infer that a reduction made in the same gradual manner, from twenty-five millions to twenty-two millions, will certainly greatly aggravate that embarrassment?—I consider that a farther reduction of three millions in nine months, would be attended with a reduction of the capital and circulating medium to that amount, which would occasion in my judgment, at particular periods, great distress. When the bank circulation amounted to thirty millions, I have known for a few days previous to the issues of the dividends in each quarter, in consequence of the large payment of taxes made to the government, bank notes very scarce, and I have known that bankers were obliged to raise money at that period by the sale of stock to a very great disadvantage; if therefore the amount of the circulation were reduced to twenty-two millions in the next nine months, I must consider that, in the periods to which I allude, that particular distress would be much increased; and I also think, that as the public are not, as far as I can judge, prepared by any measures of prudence or precaution for such a reduction as is mentioned in the time proposed, such a reduction must create great confusion and distress.

Have the goodness to explain the terms, the public being prepared for such reduction?—I consider that all persons having very large engagements for future periods, would endeavour to diminish them; and that every prudent man would be disposed not to enter into any very large concern whatever, in the way that he has been in the practice of doing: I can perhaps instance what I mean, more completely by stating, that in my own situation as a banker, I should feel it my duty, and most assuredly should limit the acceptances of my house in some degree; but I should be most cautious, and have indeed been most cautious, ever since this question was agitated, that they should not be increased.

Do you think the public ever will be prepared, unless there is a conviction on their mind that at a certain definite period the bank must resume cash payments?—No; I certainly think they will not.

Do you think, that if a definite period were fixed for the resumption of cash payments, and merely the same precautions taken that have been already taken by a declaration of the opinion of parliament in the preamble of the act which requires that resumption, the public would not still calculate upon some circumstances intervening which would again render it necessary to postpone the resumption of cash payments, and hold out an inducement to the public, to postpone at the same time those measures of precaution which in your opinion are necessary in order to prepare the public for that resumption?—I am quite aware that the legal provision for such resumption of cash payments cannot possibly be made stronger than it has been; but I really think there might be a distinct understanding expressed by the government or by parliament, which would convince the public at large that the resumption of cash payments would take place at the time proposed.

What in your opinion should be the period which the legislature should fix as that at which the bank should certainly resume their payments in cash?—That is a question of very great difficulty; I will answer it as well as I can, premising that whenever the bank resume their payments, in my opinion there will be great encouragement; I should think that a period of eighteen months to two years, might

be sufficient to enable all prudent and unembarrassed individuals to meet the difficulties of those times when they shall arrive; but I must in this answer be understood only to offer an opinion which cannot in the nature of things be of any value.

In what way would you suggest that the legislature and the government should convey that distinct understanding to which you referred in the answer preceding the last?—I should imagine, that if the government were distinctly to state that they considered it essential to the public interest that this question should be set at rest, and that they were fully determined to bring forward hereafter no further suspension of cash payments, if they were to declare so, I mean in their places in parliament in both houses, I consider that that would have a proper effect upon the public mind, confirmed as it might be by other gentlemen on the other side of each house, who have taken a part in these discussions; and I am the more disposed to think so, believing as I do most firmly, that the government had the intention very recently, that the resumption of cash payments should take place according to law in July next, but that circumstances of an imperious nature, and which are not likely to occur again, did prevent them.

Have the goodness to state what are the circumstances to which you refer?—I certainly allude to the foreign loan lately negotiated at Paris, and I do believe that very material difficulty would have arisen in the negotiation of such loan had it been ascertained that the bank of England were certainly to resume their payments in July next.

While you urge the necessity of great prudence and discretion in changing that system of circulation upon which we have acted since the year 1797, do you at the same time think that the best security we can take against improvident and unreasonable speculations, and against the consequences of the failure of that speculation, is to revert to the system under which the paper issue should be convertible into coin at the will of the holder?—I am disposed to think it is the best mode certainly of arriving at those ends at the proper period and under proper circumstances.

Subsequently to the year 1810, do you think there have been any improvements in the mode of conducting banking business, which tend to dispense with the necessity of any portion of the circulating medium?—I know of no particular circumstances since that time which have occurred; but I cannot exactly fix in my mind the date of some improvements, one of which I will state to the Committee, which is of very material importance to bankers, namely, that some years ago, but whether or not before the year 1810 I cannot say, the bank of England, who have of course bills upon every banker in London, were in the habit of demanding payment for these bills at about twelve o'clock in the day; and at this moment, and for some years back, they are not paid till between three and four o'clock, which enables the city bankers in particular to pay them not in bank notes alone, but in what we call bank drafts, that is, drafts drawn by individuals who keep cash with us for bills discounted at the bank; those individuals pay such drafts in upon account as cash, and we are permitted by the bank to pay what we call our bank charge in such drafts, so that certainly I have known large sums paid with very few bank notes; that does not happen every day, but it sometimes occurs, and is a very great convenience to bankers.

For some years prior to 1810 the receipts of government on account of loans and revenues were greater than they are at present, and the payments on account of the public expenditure were greater; also do you think there has been any increase in the internal traffic and commercial dealings of the country generally, subsequently to the year 1810, that renders a larger amount of bank paper issue necessary at present than in the year 1810?—I am disposed to believe, from my own experience as a banker, that there has been an increase of trade since the year 1810; that there has been a great increase of population must be admitted; and upon the whole I think that these circumstances, coupled with great increase in the funded and unfunded debt, may make a larger amount of bank notes necessary.

Supposing, in order to enable the bank to make the reduction below the present amount of circulation to which we have referred in the former questions and answers, government were to pay into the bank six millions of the debt due by the government to the bank, and that three millions of those six were be employed in a reduction of the total amount of notes outstanding, and the remaining three millions to be employed in giving additional accommodation to merchants in the way of discount; do you think that increased accommodation given to the mercantile world in the way of discount, would counteract the inconvenience and embarrassment which you think would arise from a gradual reduction in the total amount of England notes outstanding?—I think it would not.

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Esq.

(17 March)

John Smith,
Esq.

(17 March.)

Has the amount of country bank paper been subject to great fluctuations since the year 1797?—I apprehend that there have been great fluctuations in the amount of country bank paper for many years past, but I think those fluctuations have not been so great as is generally supposed.

Can you form any general estimate of the amount of country bank paper in circulation in England?—I know not whether the Committee will think my reasoning of much importance, but I do wish to state a little at length my views upon that subject. Being as I am a country banker, in the town of Nottingham, I am well acquainted with the circulation of my own house, and from circumstances, pretty well acquainted with the circulation of all the other country bankers in that town and in that county; I have had an opportunity of comparing my views upon that subject with one or two individuals who have local knowledge, and I hesitate not to declare as my opinion, that in that county, manufacturing almost from one end to the other, for its size remarkably rich, and without any other currency to any amount than country bankers notes, I am confident that the whole circulation of that county is under £. 500,000: from such data (a large and rich portion of the kingdom being destitute of any such circulation which bears upon the question, namely, the counties of Middlesex and Lancaster, and the country within fifteen or twenty miles of London, and believing also that the agricultural counties require not so large a circulation as the manufacturing ones) I apprehend that the circulation of the county of Nottingham, multiplied by thirty-six or thirty-seven, would afford no bad criterion of the circulation of the whole kingdom. I wish further to add, that I know from information which I cannot doubt, given to me by a gentleman who has certain means of information upon the subject, that the rich and extensive agricultural and commercial county of Norfolk carries on its various concerns by a circulation of £. 700,000. alone: on the whole I am satisfied of the general truth of my reasoning upon this subject.

Do you think, in the event of the resumption of cash payments, there would be, in those districts with which you are acquainted, any preference shown to gold coin on account of its novelty, and that the transmission of any considerable quantity would be necessary in order to meet the demands that might be made upon the country bankers to have their notes exchanged into coin?—I am not prepared to say whether there would be, in the country districts of England, any material preference shown by the public in favour of gold coin; but I wish to state to the Committee, that in the year 1816, when guineas were obtained with great facility from the bank, I directed my clerks in London to offer them to the public, and directed that the guineas so offered should be of the newest we could find, in order that there might be no suspicion as to their weight; they were almost uniformly rejected, and notes demanded instead.

If the public were assured of the stability of it, would they not naturally prefer that circulation to which they have long been habituated?—I think they would.

Do not you consider that the reason why no country bankers in Lancashire issue notes, is, that the inhabitants of Lancashire have been accustomed to a different species of circulating medium, and therefore have an objection to the change?—I do.

Can you form any estimate of what has been the extent of the fluctuation in the amount of country bank paper since the year 1800; what is the period when it has been at the highest amount, and what the period when it has been at the lowest?—I cannot tell when it was at the lowest, but I presume about the year 1800 or some such time; I think it must have been at the highest about the year 1814, but I cannot speak with accuracy upon that subject.

Was there not a great reduction in the amount about the year 1816?—There was, no doubt.

What do you think is the present amount, as compared with the year 1816, when that reduction took place?—I cannot distinctly state the difference of amount from the year 1816; but I have no doubt the amount has increased since that time.

Have bank of England notes circulated since 1810 in districts where they used not to circulate before?—No, I know of no particular instance of that.

Have bank of England notes ceased to circulate since 1810 in districts where they used to circulate before?—I think I know one instance of that to a small extent, in a portion of the county of Derby.

Supposing a period to be peremptorily fixed by parliament for the resumption of cash payments; might not circumstances of a political nature or arising out of the season, occur, which might exceedingly aggravate the difficulty of such resumption?—I think that political causes, of which I can be no judge, perhaps might aggravate

such difficulty; but I do not think that a moderate scarcity of corn, if that is implied in the question, would add much difficulty.

Do you know the amount of the importation of grain which took place last year?—
I do not.

The value of the grain imported last year appearing by the public accounts to be about ten millions, according to the average prices in England, do not you think such an importation must have materially affected the exchanges, and increased the difficulty of resuming cash payments at the present period?—I was not aware that the importation of grain was so extensive, and admit it must have a powerful effect upon the exchanges.

Might not a similar occurrence happen at any period fixed by parliament for a peremptory resumption?—I think not to that extent, if parliament does its duty to the country.

Explain in what mode you think parliament could prevent such an occurrence?—By adopting a different system of corn laws.

Do not you think that a considerable surplus of public revenue applied in reduction of the public debt, would materially contribute to lessen the inconveniences which may be expected to attend the resumption of cash payments?—I do.

Do not you think that, *ceteris paribus*, the longer such a system of repayment of public debt should be continued previously to the resumption of cash payments, the easier and less sensible would be the inconvenience of it?—I am disposed to think so.

Do you think the purchases made by the commissioners for the reduction of the national debt, even if counteracted by the necessity of raising money by borrowing to a very considerable amount, may be of some utility for the purpose of lessening the inconveniences which may be expected from the scarcity of money likely to be occasioned at the time of the resumption of cash payments?—I am of that opinion; because in the process of purchasing, four days in the week, large sums of stock for the sinking fund, there are bank notes issued in each of those four days to a large amount, which are occasionally of great use and advantage to the monied interest.

Would not the utility of these purchases be increased in proportion as in their aggregate they exceed the amount of any sums borrowed within the year, so as to produce an effective reduction of the debt?—No doubt they would.

You have stated that you believe the effect of an import of corn to the amount of between nine and ten millions has had the effect of lowering the exchanges; supposing an export of our manufactures or colonial produce to have taken place within the same period, and to the same amount, would it not have a counteracting effect, so as to raise the exchanges to a like extent?—No doubt it would; but perhaps I may be permitted to state to the Committee that I am not well acquainted with the subject of foreign exchanges, which have no connection whatever with my individual occupation or pursuits.

You have stated that the present mode of conducting the operations of the commissioners of the sinking fund system, would facilitate the resumption of cash payments by creating an occasional increase of money in the money market; does not the effect of the money borrowed for the purpose of furnishing the commissioners with what they lay out weekly in the purchase of stock, create a scarcity of money exactly in the same proportion that it is increased by the weekly purchases of the commissioners?—I should think not; but the convenience to which I have alluded arises from a payment, four days a week, in bank notes being made to the public, and which in times of scarcity enables individuals who want bank notes to obtain them at an early hour of the day.

The facility then to which you allude, consists merely of the accommodation which it affords to bankers in the city of London?—No, I do not confine it to that.

Do you believe that borrowing to the amount of thirteen millions, for instance, either by exchequer bills or by funding, for the sole purpose of enabling the commissioners for the reduction of the national debt to invest those thirteen millions by weekly purchases in our funded debt, either permanently creates an increase of money in the money market, or that it would in any manner facilitate the resumption of cash payments by the bank?—I think it creates an increase of money in the money market, and that so long as that system of daily purchases exists, there must be more bank notes in circulation than when it is put an end to, and so far it will contribute some facility to the resumption of cash payments.

Does not a loan of thirteen millions, furnished by the public to government, create a scarcity of money in the money market precisely to the same extent that

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the investment of that money by the commissioners in that market, produces what is called a plenty of money?—I am not sure that I understood the question; but I think not.

Do you think the supply of silver coin, if furnished to the full extent of the wants and demands of the public, would facilitate the resumption of cash payments, particularly by relieving the embarrassment which you apprehend in the circulation of the country districts?—I think it would, in a very material degree indeed, tend to do away the difficulties which embarrass the subject of the resumption of cash payments; and I think it would be also attended with very important benefits to the country at large, of other descriptions.

State the other advantages to which you allude?—I observed, previously to the issue of the late new silver coin, that manufacturers had been paid in paper; and as the wages of individuals frequently did not amount to one pound, but were very often not more than a few shillings, most manufacturers were compelled to class their workmen, and to pay two or three together by paper, which was sometimes lodged with a publican or other petty tradesman, and the parties permitted to take their proportion of such payment from such individual.

Does that inconvenience still exist in the districts to which you allude?—I hope in a very small degree; but I have no doubt that it does still exist.

Do you apprehend there would be any difficulty in procuring such a supply of silver bullion as would enable the mint to comply with the demands of the public for this part of our currency?—I apprehend not, though that difficulty perhaps may exist at the present moment; but certainly not, if the question be with reference to the time between this period and the resumption of cash payments.

Is not the profit of country banks greater upon a given amount of their notes of a higher class than upon the same amount of their notes of one pound?—Yes, I think it is.

Do the country bankers keep the amount of their notes of one pound as low as is consistent with the accommodation of their customers?—I believe they generally do, and there are many country bankers who issue no notes at all of that description.

Assuming the country circulation not to exceed eighteen millions in the whole, what proportion do you conceive may consist of one pound notes?—I really have no means of answering that question, as they are not generally paid in London.

The distress of country banks has proceeded in some instances from panic and alarm, attended with an extraordinary demand for coin, as in 1793 and 1797; in other instances from extravagant speculation in the parties concerned in those banks: can you suggest any improvement in the system of country banks, or the currency of this country generally, which in your opinion would tend to give increased security to the circulation of the country banks against either of those sources of danger?—I am not prepared with any plan to obviate the difficulties which are suggested upon this question; but I am bound to state that I have often thought the privilege that one class of His Majesty's subjects possess of making money, is one that ought perhaps to be guarded by such individuals affording some security to the public.

Do you conceive that any increased security would arise to the public, with reference to the circulation of country banks, if that clause in the charter of the bank of England which limits the number of partners in any such establishment to six, was no longer in force, except as with reference to the metropolis and certain districts; say thirty miles round London?—Assuredly it would, because a greater number of opulent individuals would then have the power to form banking-houses in the country:

Do you not conceive that individuals of that description so associated would also be less likely to embark any portion of their capital arising from the circulation of their notes, in speculations which might expose their credit to hazard, than has often been the case with the country banks formed upon the present system?—Yes.

Is there any other description of security occurs to you, that could be provided for improving the security of country bank paper?—I have heard plans suggested, but I have always thought them liable to great objection, and I am not prepared myself to offer any.

Would the restraining country bankers from engaging in trade or merchandize contribute to the same security?—It might; but I should not think it an advisable measure.

You are probably acquainted with Mr. Ricardo's suggestion, the principle of which is, that the bank should pay its notes above a certain amount in bullion instead of coin, leaving the circulation of the country to consist of paper and silver coin.

coin altogether; would not one advantage of that plan be to guard country banks against the danger to which they were exposed from such panic and alarm as existed in 1793 and 1797?—No doubt.

What is your opinion of the merits of that plan generally?—I certainly have thought a great deal about it, and I feel favourably disposed towards it; but I give that opinion of course with great hesitation.

Supposing the resumption of cash payments to take place on the principle of a payment in coin, do you apprehend that any considerable difficulty would be felt by the country banks from the apprehension of a large and simultaneous demand being made upon them for such gold coin?—I think there would be some alarm among them if they were to pay in coin; but I am not much afraid of any great alarm among that body of men, or the public in general, from the general effect of the resumption of cash payments by the bank of England, because I have observed for many years that when bankers in the country fail, it has not the effect of diminishing the general credit of that body of men in the degree that may be supposed: it is the interest of the whole population to take country bank notes of any reputation; and it is not unusual for the manufacturers to agree, in moments of alarm, to take all the notes of the bankers in the neighbourhood; and I think I have known that when some of those bankers did not perhaps merit much public confidence, there was no exception taken against them, but that individuals perhaps contented themselves with avoiding their notes privately, without saying any thing of the matter.

You have stated, in an early part of your examination, that you believe the present embarrassments in trade not to be attributable to the late reduction of bank notes, but to over-trading; does not an excessive issue of paper currency greatly facilitate the operation of over-trading?—I think it does, and particularly by the affording facilities in the discounting accommodation paper.

May not then the present over-trading, which is stated to be one cause of the present embarrassments, be attributable to an actual and excessive issue of paper at present?—I do not think there is much over-trading at present, and I certainly alluded to speculations and over-trading at some short time back.

May not those speculations and over-trading which occurred some time back, have been produced at that particular period by an excessive issue of paper currency?—They might, certainly.

In referring to a future period to be fixed for the resumption of cash payments, you have stated that you think the public would take such precautionary measures as to be prepared for such events, if the government of the country were, in their places in parliament, to declare it to be their determination that the resumption should take place at those periods; have not you frequently heard those determinations expressed by members of His Majesty's government in the House of Commons, on the promulgation of the Restriction Act, both in the year 1816 and in the last session of parliament?—I certainly have.

What other expressions of the determination on the part of His Majesty's government, than that which you state to have already taken place, would induce the public to make those preparations for the resumption of cash payments referred to in your former answer?—I think the interest which the inquiry of this and the other Committee has created in the public mind, will give additional force to any declaration made by His Majesty's ministers; and I must imagine that the whole will rest, and must rest in common sense, upon the opinions formed by this Committee and that of the other house; and I also think, as I have stated before, that it is not likely, according to my view of the subject, that the same obstacles should arise at a future time as have recently intervened to prevent the resumption of cash payments in July next.

It is then your opinion, that in conjunction with the declaration of His Majesty's ministers and others in parliament, the opinion of this Committee and the Committee now sitting in the House of Lords, as to the necessity of the resumption of cash payments by the bank, at some future period, would be necessary in order to induce the public to make preparations for such an event?—I presume I have already stated that in my former answer.

Are you not of opinion that the operations and speculations in foreign loans, as well as the investment of British capital in foreign securities, have been much facilitated by the restriction of cash payments?—Yes, I think so; and I think they would have been in a great degree prevented by the resumption of cash payments.

John Smith,
Esq.
(17 March.)

In speaking of the increase of trade, which you believe to have taken place since

John Smith,
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(17 March.)

the year 1816; do you, as a banker, judge of the increase of that trade from the numerical amount of the money operations of your house?—That operates only in a small degree, but it does operate in the formation of that opinion.

Is not the effect of the depreciation of a paper currency, to raise money prices?—I believe it is.

May not the numerical amount of money in banking operations, be much increased under a system of paper currency inconvertible into cash, without any corresponding increase in the trade of the country?—I think it might, but I am not sure that it is.

In reference to foreign loans, you have stated that the resumption of cash payments would rather check the investments in those foreign loans; would not the operation of cash payments, bringing the exchanges to about par, that is, from about twenty-four francs, which they now are, for the pound sterling, to twenty-five francs, making a difference of above four per cent, prove rather an inducement than a check to such investments?—I think, as far as it goes, that the rise of the exchange would prove an inducement; but I think that would have little avail upon the present question, because I have known French stock in particular bought by country bankers and other persons, who would be very imprudent indeed, in the event of the resumption of cash payments, if they continued their property in such securities.

Do you not think that the views and intentions of the bank to procure a sufficient supply of bullion, are likely to be counteracted by forced operations on the exchanges to increase the price of gold, if the period of resumption should be fixed near at hand, and be irrevocably fixed?—I do not understand the subject of exchanges.

In looking to the resumption of cash payments within eighteen months or two years, as mentioned by you, as the shortest period at which they can be properly resumed, should you think it prudent to adhere to so short a period, or would you not think it safer to give three or four years, trusting to the bank's resuming its cash payments as much earlier as possible?—I have ever been favourable, upon the question of resuming cash payments, to leaving the bank as much at liberty as possible, because one of the principal dangers attendant upon such resumption will be the alarm; and I think it possible, though I wish to express that opinion with hesitation, that we might slide into cash payments again by the management of the bank, without any very material difficulty, provided we have confidence enough in that establishment to permit them to go on quietly two years more, or some such period; I remember in the year 1816, when this great and important question did not occupy the public mind, that guineas became as it were common, and as I have stated before, not an object of public desire: with respect to keeping this question open four years longer, I much doubt the policy of such a proceeding.

You have referred to the pressure that has generally been felt in the city a few days previous to the issuing of the dividends, in consequence of the money received from the exchequer bills being locked up; have you seen a suggestion, in a publication of Mr. Ricardo's, calculated to relieve the public from the inconvenience of this pressure?—I think I have, but the particulars do not now occur to me: it has appeared to me that in the event of a farther reduction of bank notes, to the amount of two or three millions, the pressure at the period alluded to will be most excessive and injurious, because the circulation then may be reduced to nineteen millions; I think the difficulty might be obviated if the government would permit a portion of the taxes receivable by them to be paid the day after the public dividends are issued, and to this the bank of England I should imagine could have no great objection, since they would only be in advance to the Government for three or four days, and would be then repaid: I have observed that when bankers fail, that event generally occurs just before the issue of dividends from the bank to the public.

The plan now suggested by you would require the co-operation of the bank of England, and an advance by the bank of a portion of the dividends for two or three days?—It would.

With reference to your suggestion to prevent the inconvenience arising from the money locked up in the exchequer, might not that inconvenience be remedied if the bankers were allowed to pay their taxes into the exchequer in their promissory notes, payable a day or two after the dividends come out?—No doubt.

Would not that be a more simple plan than the postponement of the payment of the public taxes?—I think it would.

Veneris, 19th die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

DAVID RICARDO, ESQUIRE,

A Member of the House, again Examined.

THERE are some points on which the Committee understand you have further information to give to them.

David Ricardo,
Esq.

(19 March.)

[The witness delivered in the following paper.]

"I request to be allowed to amend a part of the evidence which I had lately the honour of giving before this Committee.

"When I was last examined, I was asked, whether it would not be an improvement of the present mint regulations, if the mint were to keep a supply of coined gold, which they should exchange without the least delay, and without any deduction, for equal weights of uncoined gold; to which I answered, that it would be no improvement, that every thing which tended to equalize the value of gold coin and gold bullion, made the currency approach more near to perfection, and that such a regulation could not fail of producing a beneficial result.

"I adhere to that answer as far as regards our circulation; but I ought to add, that by making gold bullion exchangeable without delay, and without loss, for gold coin, there would be a great inducement offered to all exporters of gold, to exchange their bullion for coin previously to its exportation. Gold coin carries on its face a certificate of its fineness; it is divisible into small sums, and it would, for these reasons, possess advantages as an article of merchandise over gold bullion. Our mint would not only be called upon to coin gold without charge, for the internal circulation of England, but also the additional quantity which might be required for exportation, and which would, in the case supposed, be acquired without any additional expense. This is the inconvenience which would attend a money absolutely free from seignorage, free even from the loss of interest, which on the present system arises from the delay of the mint in returning coin for bullion, and which may strictly be called a small seignorage. But a coin with a seignorage has also its inconveniences, for the mint is not the only place from which money is issued. The bank have the undisputed power of increasing the quantity of currency, and thereby of diminishing its value to its intrinsic worth. If silver, for example, were now the standard of our currency, and therefore a legal tender to any amount, the bank might issue their paper till they raised the price of silver bullion to 5*l.* 6*s.* per ounce, (the current value of the silver coin) without inconvenience to themselves; they might then reduce their issues, till silver fell to 5*l.* 2*s.*; and thus they might alternately raise and lower the price of silver, between the limits of 5*l.* 6*s.* and 5*l.* 2*s.* as often as to them it might appear expedient. If there were no seignorage on the silver coin, and it were immediately exchangeable for silver bullion on the demand of the holder of bullion, it is evident that the price of silver would not rise above, nor fall below 5*l.* 3*s.* the mint price; but then the mint might, as I have before stated, be called upon to coin all the silver that might be exported. If it be decided, that under all circumstances, a currency, partly made up of gold coin, is desirable, the most perfect footing on which it could be put, would be to charge a moderate seignorage on the gold coin, giving at the same time the privilege to the holder of bank notes, to demand of the bank, either gold coin or gold bullion at the mint price, as he should think best, in exchange for his notes; if he preferred gold bullion for the purpose of exportation, as he probably would on account of its greater intrinsic value, it would be exported without any disadvantage to the country; if he preferred the coin on account of its more convenient form, and its certified fineness, which is barely possible, he could not obtain it without paying all the charges of its fabrication. If this plan were adopted, the seignorage should be at least sufficient to cover all the expenses of manufacture, and might with perfect safety be extended to that point at which it would just be insufficient to make the minting of the coins a profitable employment. This appears to me to be the best plan

*Deaf Records,
Esq.*
(29 March)

rency, consisting partly of the precious metals; but I am still of opinion, that we should have all its advantages, with the additional one of economy, by adopting the plan, which I had the honour of laying before the Committee when I was last before them."

What seignorage do you think would be sufficient to protect the coin of the country, according to the suggestions which have been made in the paper which has just now been read?—That is a practical question, to which I am not qualified to give an answer.

Do you know what seignorage is taken upon the French gold coin?—No, I am not acquainted with the regulations of the French mint.

Do you think that, under a currency partly consisting of paper convertible into coin at the option of the holder, and partly of gold coin, such occasional fluctuations in the market price of gold would frequently occur, as to make it an advantageous speculation to export the gold coin?—If there were no seignorage, there could be no variation in the price of gold; but it might nevertheless be exported, on account of the exchange being unfavourable; if there were a seignorage, then the price of gold might vary to the amount of that seignorage.

Might not fluctuations, from the rate of exchange or other causes, frequently happen?—The value of gold coin and of gold bullion can only differ on account of the greater intrinsic value of the one or the other; if an ounce of gold is coined into 3*l.* 17*s.* 10*d.* and is delivered at the mint in exchange for bullion, without any delay, I think the one must be precisely of the same value as the other, there could be no preference, and therefore no rise in the price of gold; but if a seignorage be taken from the gold coin, so as to make 3*l.* 17*s.* 10*d.* in gold coin of less weight than an ounce of bullion, then the price of bullion might rise above the mint price to the amount of that difference.

May not such demands for gold occur in foreign countries, as we have heard there was lately in Russia, so as to give a higher value to gold exported to that country, than it would obtain in France or in this country?—Undoubtedly; because more goods would in such case be given for gold by Russia than by France, but its price would continue unaltered in this country.

If you measure gold or coin which is here taken as equivalent to gold, and the gold bears a higher value in Russia than the goods, will it not cause a drain for gold upon this country in such a state of things?—If it bears a higher value in goods, it will make the exchange unfavourable to this country, and will cause an exportation of coin or bullion.

They will be sent out, if it is more advantageous to send them than woollen or cotton goods; if there is a seignorage, you keep the gold coin at home until there is a great fluctuation in the exchange?—If there is a seignorage, it will depend upon this circumstance; namely, whether the coin be passing at its nominal or at its intrinsic value; by proper regulations the coin may be sustained at its nominal value, but by bad management, by putting too great a quantity of currency into circulation, you may sink its value to the value of the metal which is in it, and then it will be immediately exported on the turn of the exchange.

Supposing the plan which you have suggested, of the bank paying in gold bullion at the present standard of 3*l.* 17*s.* 10*d.* an ounce, all sums demanded in their notes above a limited amount, say £. 100, and supposing sovereigns to be coined at such a brassage as would raise the standard of gold coin to 4*l.* an ounce, and that such coin were made a legal tender to the amount of £. 100 only, or whatever might be the lowest amount in notes for which bullion could be demanded at the bank, would not this modification of your plan of payment in bullion, afford the double advantage of an invariable standard in bullion, and of a gold coin for the purposes of currency, without exposing the country to the risk of such coin being melted down or exported?—Entirely; I think it would quite exempt us from any such risk, and the price of gold under such circumstances, could, in my opinion, never be above 3*l.* 17*s.* 10*d.*; but the question supposes an advantage by possessing a gold currency, which I do not consider as such.

Assuming that it should be thought expedient to combine your plan of the bank paying its notes above a certain amount in gold bullion, with the maintenance of a certain proportion of gold coin in currency, would not such a modification as the former question suggests, be the most advisable mode of affecting such object?—The very best, and the one which I have, under such circumstances, recommended in the paper, I have delivered in this morning. I have there said, "that under such

a system, I should be favourable to any amount of seignorage which did not expose the coin to the risk of being imitated in this or any other country.

Do you think that the difference between 3*l.* 17*s.* 10*d.* the standard price in bullion, and 4*l.* the proposed standard for the coin, would expose the coin to such a risk?—I think it would not.

Should you be disposed to push the seignorage further than the 4*l.*?—It is difficult for me to estimate what proportion of encouragement would be sufficient to set people to work upon the imitating coin; it is a thing in which I have no experience, and I cannot give a more correct opinion than any other individual.

Do you see a strong objection to a seignorage approaching very nearly the present market price of gold?—I feel some difficulty in mentioning any seignorage, as being within the proper limits; many persons can give better information than I can upon that subject.

Do you believe that under such a system as you have just described, any considerable quantity of gold coin would be likely to be required for the use of this country?—That is a difficult question to answer, I should apprehend that the taste of the public for paper is now so confirmed, that they would have little inducement to demand gold coin, and in that case a very small quantity would be sufficient for all the purposes of circulation.

With a gold currency upon our present mint regulations, namely 3*l.* 17*s.* 10*d.* per ounce, and if the export of coin and bullion were free, would it not be likely that exporters would prefer coin of that description to bullion for their exportation?—They would prefer gold coin.

Under the system of a seignorage upon the gold coin, would not coin be the last article of gold to be exported; and would not the exporters in every instance prefer bullion to coin for their exportations?—That must depend upon the current value of the money. Unless some such restriction, as has been mentioned, should be adopted, I think it is as probable that coin might be exported as bullion, because the bank might increase the amount of their issues, till they lowered the value of their paper to the intrinsic value of the gold coin.

Referring to a former question respecting the demand of gold for Russia; and supposing, after that demand shall have been satisfied, that there should be a demand in this country for gold, should we not possess the same power of bringing that gold from Russia to England in exchange for our commodities, which you have stated might have taken place by an exchange of Russian goods against gold from this country?—I think that all countries have the means of purchasing the commodities which they want, gold among the number, and therefore there is no demand for gold could exist in this country, which we should not have the means of supplying.

Do not you think, that a rich country possesses greater means of acquiring and retaining gold within itself, than a poor country?—I think it will require more, and it will have greater means of obtaining that increased quantity.

Do you not believe, referring to the trade manufactures and products, domestic and colonial, of this country, that it possesses the means of acquiring gold to an extent greatly beyond what is possessed by Russia, Austria, or any other continental power?—I believe it has; but I consider that in some measure a disadvantage, inasmuch as we have a greater quantity of currency forced upon us than I should desire to see employed; I always consider the currency as the dead part of our stock.

Supposing the system of this country be to possess a great quantity of gold, does not this country possess superior means for that purpose to the continental countries just referred to?—A manufacturing country, I conceive, has always advantages over an agricultural country, in the means of supplying itself with bullion; and as no country is so highly manufacturing as this, I of course think it has the most ample means of supplying itself with any quantity of bullion that it may desire to have.

Do not our colonial possessions add to these means?—Undoubtedly, as far as colonial productions are exportable commodities generally in demand in other countries.

As it will require a hundred pounds to be enabled to draw any quantity of gold bullion from the bank, will not the possessor of a less sum in bank notes than £100 be placed in a worse situation, with respect to the value of the sum which he possesses, than the possessor either of £100 or a larger sum; assuming in the question the sum of £100 arbitrarily, as the lowest for which bullion may be demanded?—The object which I had in view, was to regulate the value of the whole

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currency, by securing a control over its quantity; and it appears to me that by giving the power to persons possessing large notes only to demand gold in exchange for them, the quantity would be always effectually reduced to the wants of circulation, and therefore it never can happen, except on occasion of a panic, when every man is striving to turn his bank notes into bullion, that the person possessed of a less sum than £.100 can be relatively in a worse situation than the man possessed of £.100 and more, and even in the case of a panic, I think there would be dealers ready to purchase the one and two pound notes with bullion, at a price, very little below the mint price, knowing, as they would know, that as soon as they had accumulated a hundred pounds of these notes, they could go to the bank and demand bullion for them at the mint price. As there would be competition in this trade as well as there is in all others, the difference between the value of a £.1 note, as compared with notes of a larger amount, would be so trifling as not to be worth considering.

Would not the plan exclude the possessors of notes under £.100 from converting them into bullion?—Certainly, in any other mode than by sale or bargain.

You have stated that in case of a panic, dealers would purchase the small notes till they amounted to the £.100, for which bullion could be demanded; in what commodity would the dealers purchase those £.100 notes?—In bullion; the supposition is, that the man possessing a large note would have the privilege of getting bullion for his note, which the man with the smaller note would not have.

How is he to pay in bullion; by that being divided into parts, and given to the holders of the notes?—Yes.

In what shape is a note to the amount of £.5 to be paid in bullion?—I conceive £.5 worth of bullion can be sold as well as £.500 worth.

Is not a state of panic precisely that state of things which baffles ordinary speculations, with respect to the circulating medium; is it not very difficult to take precautions which can guard against all the possible consequences of alarm in the public mind?—I think it utterly impossible to provide against the effect of panic, on any system of banking whatever.

What would be the effect produced, if the bank, instead of paying the supposed sum of £.100 intirely in gold bullion, were entitled, or were liable to pay a small part of it, say in the proportion of five per cent, in the silver coin with its present seigniorage?—That would have partially the effect of sinking either of the two metals the standard, instead of one exclusively, and which, in my opinion, would be attended with very great inconvenience.

Would not such partial payment in silver coin in the case of panic afford relief to the holders of small notes; and afford time to the bank to protect itself against, and to counteract such panic?—The question supposes that silver is a legal tender as well as gold, which alters the state of things, and would be a worse system than that which is at present established.

Either there will be an attempt to accumulate the small notes into sums of £.100, or there will not; if there is not, will it not be a proof that bank notes are considered equally valuable with gold; if there is, will not the competition equalize the value of the small note and the great one?—If there is not an attempt to accumulate the small notes into sums of £.100, it will be a proof that the small notes are equally valuable with the large; and if there is, there could be only that small difference in their value to which I have before alluded, the profit of the dealer.

Do you think there would be as much difference between the premium that would be required to convert the small notes into large ones, as the difference between £3. 17s. 10d; the mint price for bullion, and £. 4. for specie?—Perhaps nearly the same.

You have said, that in case there should be any strong desire, from any cause, in the holders of small notes, to turn them into bullion, they would be enabled to do so through dealers, who would collect those small notes in order to carry them into the bank, when they amounted to £.100; is not the reason for using gold coin, that by the stamp the person to whom it is presented is immediately aware of its quality?—That is the advantage of using coin, but an advantage superseded in modern times by the more economical use of paper.

—In case I were the holder of a one pound note, and wished to change it into bullion from one of these dealers, how could I ascertain that what he gave me in bullion was of the value that it purported to be; could I do it without an assay; or without the same modes which are taken to demonstrate the value of coin?—Not unless you had full confidence in the dealer; but this is a state of things which I apprehend could never happen, and which it is not necessary at all to guard against.

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It was understood that your answer, in which you state, that the holders of small notes would get them exchanged into bullion by applying to dealers, was given with a view to show that the holders of those notes would have a remedy which would place them upon the same footing as those persons presenting a certain sum of £.100?—Yes, in the extreme case of a panic; but I consider that a very extreme case.

Is it not essential to the execution of your plan, that bank notes should be made a legal tender?—Yes, undoubtedly. I wish to make one observation here; that in the evidence I gave the last time I was examined, I think the price of £.3. 17s. was mentioned as the price at which the bank should be compelled to buy bullion; but I wish the Committee to understand, that that was an arbitrary price, not one that I fixed on, or think the very best that could be settled; my opinion rather inclines to its being considerably more than £.3. 17s. somewhere about £.3. 17s. 6d.

In case your plan was adopted, and no legal coinage of gold was to take place, would it not be probable, that there would be a circulation, to a certain extent, of foreign gold coin in the country?—I think not; for I can see no advantage that would attend the introduction of foreign coin.

It is understood to be a part of your plan, that the bank should be at liberty to pay the notes of a certain value, presented to them, either in bars of gold, or foreign gold at its intrinsic value?—Yes.

In that case would not a considerable quantity of foreign coin be probably issued by the bank?—Certainly.

Do you think that would be required only for the purpose of exportation, or that some of it would remain in the country?—I think it would be required only for the purpose of exportation, or the manufacture of gold articles.

Supposing the bank to be obliged to pay their small notes, when tendered to an amount less than £.100, in sovereigns, at the value of £.4 per ounce, would such a regulation tend to facilitate the plan which has been in contemplation?—It would, in my opinion, be no hindrance whatever to it, though not so economical always, supposing that the large notes are to be exchangeable for bullion.

How do you suppose the value of the bars of gold should be ascertained, to the satisfaction of the person receiving them at the bank, and the person to whom he may afterwards dispose of them?—There are many transactions of that sort now taking place between the public and the bank, and I do not expect there will be any more in consequence of adopting my system: the mode which the bank now follow is, to advance a certain sum immediately on the sale of the gold; a portion of the bar of gold is then sent to the mint to be assayed, and, as soon as the quality of it is ascertained, the bank pay the remainder of the money, and the seller is quite satisfied, I believe, with that process.

That answer is quite satisfactory, as to the purchase of gold by the bank; but put the case of a person going to receive a bar of gold at the bank, how is the receiver to be assured that that bar of gold is of the proper assay; and still more, how is the person to whom he may dispose of it the next day to receive a similar assurance?—Every bar of gold that the bank have purchased will have been assayed, and I think that the purchaser would always take it upon that report, without any further assay.

Without any stamp?—I think so; but if it were advisable to put a stamp upon it, that might be done in the roughest possible way. Dealings in bullion are not similar to a man's taking a piece of money from another, whom he cannot afterwards trace, but the transaction is with a person he knows, and if he has any suspicions that the bar is not so valuable as is represented, even when he has it in his possession he may have it assayed, and if it is found deficient in the fineness for which he agreed, he can make his remonstrance, show the stamp, and satisfy the seller that it is the very identical bar which has been delivered to him; I think there would be no more difficulty in those transactions than in those that are now daily taking place in the purchase and sale of bullion between private individuals, and I have never heard of any difficulty arising from that source.

It would then have become the standard of value?—Although a standard of value, I think it would never be used as money; all our transactions in bullion would be confined to our foreign trade, and to the uses for our own manufactures, that is exactly the amount of our trade in bullion at this moment.

You have admitted that a rich country has greater facility to procure a large supply of gold; will not a poor country, exporting largely, and importing few

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goods, necessarily produce an exchange favourable to such poor country, and naturally bring gold into the country, without reference to the country being rich or poor?—It seems to me, that exportation of goods on balance is the effect of the value of gold, and not the cause of it.

ROBERT MUSHETT, ESQUIRE,

Called in; and Examined.

Robert Mushett
Esq.

WHAT is your situation?—First clerk to the master and worker of the mint.

Have the goodness to state to the Committee what is your opinion with respect to the imposition of a seignorage upon the gold coin?—According to the view which I take of the principles of currency, having determined upon having one standard of money only, all our efforts should be directed to preserve that standard from every fluctuation in value, over which we can exercise a power, such as annulling all penal laws against the melting, sale, and exportation of coin, &c. &c. over the varying value of the metal of which our standard is formed we have no power; but by judicious regulations we may prevent any artificial fluctuation in the standard of our money; upon this ground I am unfavourable to the imposition of a seignorage upon our gold coin, as it would, in my opinion, create one of those artificial fluctuations in the value of our money, which is so desirable to be avoided, and which prevents us having the standard in the most perfect degree that we can attain it.

Have the goodness to state, what you think would be the effect produced by imposing a seignorage of two and a half per cent?—A seignorage of two and a half per cent, taken from the weight of our gold coin, would produce the following effect upon our gold currency; one ounce of standard gold, which, by law, is now coined into £3. 17s. 10½d, would be coined into £3. 19s. 10½d.; and £3. 17s. 10½d. of these new coin would only contain 468 grains of standard gold, but these 468 grains of standard gold, or £3. 17s. 10½d. of this coin would purchase 480 grains, or one ounce of standard gold bullion; that, in my opinion, would be the effect of taking 2½ per cent from it.

Would the effect of that, in your opinion, be to alter the standard of value?—While 468 grains of standard gold, or £3. 17s. 10½d. purchased 480 grains of standard bullion, the value of money may be said to remain unaltered, government would derive a tax of 12 grains of standard gold upon every ounce coined, and could discharge every debt of 480 grains with 468 grains, and the creditors receiving payment would have the same means of purchasing, and to the same extent as before the seignorage was imposed.

Do you conceive it would be in the power of the bank of England to lessen or altogether to remove the profit derived by government from the seignorage?—In my opinion the bank have the complete power of doing so.

Have the goodness to explain in what way?—By an over or extra issue of her paper, which would render itself apparent by 468 grains of gold coin, or paper interchangeable for coin, ceasing to purchase 480 grains of gold bullion, and in the ratio that it required grains of gold coin exceeding 468 grains to purchase 480 grains of bullion, such would be the criterion of the excessive issue on the part of the bank.

Supposing it was considered desirable to impose a seignorage upon the gold coin, what do you think would be the best mode of carrying that intention into effect?—By reducing the weight of the coin.

State what are the advantages of that mode as compared with the other?—The advantages of that I have explained in my answer to the second question, by stating that 468 grains of the new coin would purchase 480 grains of gold bullion; and while every individual got 468 grains of the new coin that purchased 480 grains of bullion, the value of property would remain unaltered.

Is it to be understood, as your opinion, that the bank have the power of increasing and decreasing the value of money, within certain limits?—Yes.

Does that answer apply to the state of things when cash payments shall have been resumed?—In my opinion it does.

Have the goodness to explain to the Committee the grounds upon which you form that opinion?—From the year 1777 to 1797, when the market price of gold was £3. 17s. 6d. there was, in my opinion, a duty on coinage existing to the extent of fourpence-halfpenny per ounce, which was caused by the operation of the principle of a seignorage, which may be called a duty upon coinage, that was the power exercised by depressing the price of gold to £3. 17s. 6d.

In what way did they depress the price of gold?—By refusing to purchase at any other price than £. 3. 17s. 6d.

Robert Martin,
Esq.
(19 March)

You do not think if there had been a fair competition in the bullion market, that would have been the effect?—If the mint had been open so as to have coined with less delay, the bullion dealers would have brought their bullion to the mint for coinage, and the price would then have been £. 3. 17s. 10½d. per ounce.

You do not think that, previous to the restriction, the price of £. 3. 17s. 6d. was the natural price of gold, but caused only by the refusal of the bank to purchase at any other price?—The natural price I call the mint price, the artificial one I would call the bank price of £. 3. 17s. 6d. per ounce.

And that there was not a sufficient competition in the market to counteract the effects of that determination of the bank to purchase bullion only at a given price?—It appears to me rather to have been the interest of the bullion dealers to have gone to the bank and taken £. 3. 17s. 6d. per ounce, than wait the delay of coinage at the mint; it arose out of the state of the mint.

Supposing the bank had professed a readiness to give the real value of gold bullion, would there have been great fluctuations in the price of bullion, in your opinion, previous to the restriction?—There could have been no fluctuation, no depression under £. 3. 17s. 10½d.

Can you suggest any plan by which that fluctuation, to which you have just referred, in the value of our currency, could be remedied?—The opening of the mint to the public, by which they would obtain coined money for bullion, with a delay not exceeding forty-eight hours, would, in my opinion, act as a complete remedy against any inequalities in the value of our currency. It would evidently be the interest of the bullion dealers to carry their gold to the mint, where they could convert their bullion into useful capital in forty-eight hours; and the bank of England would be saved every sort of anxiety about a supply of metallic currency for the wants of the public; for in fact, the importers of bullion under this system would be the individuals who would supply the public with a gold currency, and exactly in the ratio of the public demands; for as they would only import bullion when it was profitable so to do, so would it be coined when imported; for by its importation, its utility or usefulness to the public is declared. In fact, bullion could never be imported but when profitable, and never coined but when demanded by the wants of the community.

If the possessor of bullion could get from the mint, without any delay whatever, an equal weight of coin, would not he naturally take at all times even the bullion which it was his wish to export, to the mint for the purpose of having it converted into coin, in the expectation that coin would be more valuable in the foreign market than an equal weight of bullion?—There is, in the first instance, the charge on ascertaining the value of bullion brought by the importer to the mint, before it is purchased; that operates as a seigniorage, which is now charged to the bullion dealers when they sell to the bank.

What is the amount of that charge?—I should suppose not to the amount 5s. per cent; from 2s. 6d. to 5s.

Do not you think £. 100 in coin would be more valuable than £. 100 in bullion, even for the purpose of exportation, in a greater proportion than a quarter per cent?—Yes, I should apprehend so.

Then would not the mint be exposed to the charge of coining all bullion that might be wished to be exported?—Yes, in the first instance they would; but I should suppose it would be a temporary circumstance. There is, in my opinion, so small a portion of the standard currency of a country which can be exported, that it would be only in the first set off of such a principle operating on our mint, that would produce a greater coinage of gold than in a natural state of the currency; for as soon as we had attained that point, we should neutralise from the circulation that portion of currency that might have been used as bullion; formerly, it would go as coin, and supposing all laws abrogated against its exportation, it would return as coin in preference to bullion; because five per cent, or thereabouts, is the charge upon the importer to get it coined at the mint; therefore I should apprehend more coinage would take place immediately upon the beginning of such a principle, but that it would soon cease, and that it would never operate as a great charge upon the public for the coinage of gold.

Supposing a bullion merchant here wished to export a given quantity of bullion to Hamburgh, or any place on the continent, for the purpose of that bullion being employed in the manufacture of plate, or any other article, would not he prefer the

exportation

Robert Minkett,
Esq.
(19 March.)

exportation of that bullion in the shape of coin, even for that purpose, because on its arrival in the foreign part, there would be the assurance that its weight and quality were what they professed to be?—Yes; I should apprehend that that would be the effect in some, though not in all cases; French coin, I think, would be preferred for France, Portugal coin for Portugal, and Spanish coin for Spain, &c. &c.

Then, supposing this country to become the great mart for bullion, and that the continent derived its supply of bullion, for the purposes of manufacture, from London, would not, in that case, the mint be exposed to a very great charge, provided it should coin at the same weight with all the bullion that was brought to it, and without delay, in order that the exporter might be enabled to give his foreign customer that assurance with respect to the weight and quality of the coin which has been referred to?—I think I have already answered that question, in some measure, by stating it is my opinion, that very small portions of our standard currency can ever be exported, and that this system of coinage gives no greater advantages to the bullion dealers than the present one in use, excepting the more speedy delivery of his bullion in coin, which does not amount to 10*s.* per cent.

Would not the public, in addition to the expense of coinage, be subject to the charge of loss of interest upon whatever balance of coin it was necessary to retain at the mint, for the purpose of immediate return, for the bullion brought in?—Yes, they would.

Supposing the mint of London gave this facility to the dealers in bullion, and that the mint of Paris did not, would not that circumstance rather induce the dealer in bullion to bring his gold from South America to this country, in the first instance?—I should apprehend that the difference would be so very immaterial, at most it is the mere expense of coinage, which does not amount to above ten or fifteen shillings per cent, that I should not think it would be an inducement to bring his bullion to be coined in the London mint, for the payment of a debt in France.

How much per cent do you think 1,000 new sovereigns would be more valuable than the same weight of gold in bullion, without their being any assurance whatever upon which the foreign purchaser could rely, with respect to its weight and quality?—A foreign purchaser, when purchasing bullion in London, must pay for ascertaining the value of that bullion; he never purchases it without an assay, and in most instances I believe he has to pay for that assay; the difference that could exist would be the mere workmanship upon the coin.

Would he, when he got it to Vienna for instance, have the same means of getting it assayed as in London?—I should apprehend quite the same.

Would money be subject to any new fluctuation in value, in consequence of the seignorage?—There would be no certainty that 468 of gold coin would continue to purchase 480 grains of standard gold bullion; for an over issue of the bank paper, or illegal additions to the coin, thus increasing the mass of currency, might require 480 grains of gold coin, or £3. 19*s.* 10½*d.* to purchase 480 grains of standard gold; and when this takes place, it is to all intents and purposes a raising of the standard from £3. 17*s.* 10½*d.* to £3. 19*s.* 10½*d.* and a consequent lowering of the value of money; so that the imposition of a seignorage of 2½ per cent in the way here proposed, or in any other greater or smaller, would subject the standard of our money to a fluctuation in value to that amount.

Would it be to the interest of the bank to issue paper to such an extent as would deprive the government of the seignorage?—If a seignorage of two per cent was imposed upon our gold coin, and 468 grains of the coin purchased 480 grains of standard gold bullion, and the issue amounted to 24 millions, and if an addition of 2½ per cent to these 24 millions, or £600,000, raised the price of bullion 2½ per cent, so that it required 480 grains of coin, or £3. 19*s.* 10½*d.* to purchase 480 grains of bullion, and if no demand was made upon the bank in consequence of the extra issue, it would evidently be the interest of the bank to avail herself of the additional issues, by which she would gain £30,000 per annum; but if an addition of £600,000 of paper to our currency displaced an equal amount of gold coin, and the bank required to replace that coin in her coffers, which she could only do by paying the seignorage of 2½ per cent, it would appear that her gain by the issues would be lost by the necessity of issuing the same amount of bullion. But it must be observed, that good bullion must rise more than 2½ per cent before any coin could be demanded of the bank; for there would be no advantage or profit for the holder of notes to go to the bank for coin, unless the price of gold was above £3. 19*s.* 10½*d.* per ounce, so that it would be the interest of the bank to keep out

just so much paper as to give no advantage to the holders of her notes to demand coin, and consequently of destroying the profit of the seignorage; and in fact would produce that alteration in the standard which I have explained in a preceding question, which is, in my opinion, a fundamental objection to a seignorage upon a standard currency; for while the bank paper exists, we are never sure of getting it.

Robert Mallet,
Esq.
(19 March)

Are there any other modes of imposing a seignorage upon the gold coins, besides the one just mentioned?—A seignorage may be assessed upon coinage by charging a duty at the mint to the importers of bullion. For example; if an importer brought 480 grains of bullion for coinage, into £.3. 17s. 10½d. and 2½ per cent charged, he would have to pay about 1s. 11½d. per ounce for the coinage; and the effect of this measure upon the market price of gold bullion would be, to depress it to £.3. 15s. 11½d. per ounce; or in other words, £.3. 15s. 11½d. of gold coins, subject to a duty of 2½ per cent, would purchase 480 grains of standard gold, or 480 grains of standard gold coin, or £.3. 17s. 10½d. would purchase 492 grains of gold bullion.

Is this, in your opinion, a better or more objectionable plan than the first one?—I conceive this to be the most objectionable, and most imperfect mode of obtaining a seignorage upon coinage.

In what respect do you conceive it more objectionable than the first?—I conceive that a duty upon coinage, in the way here proposed, is a direct and immediate altering of the standard of our money; a lowering of the standard, and a raising of its value; a debt of 480 grains of gold, or £.3. 17s. 10½d. would still be discharged by that amount on these number of grains of gold; but their power of purchasing was augmented by the duty on coinage, so that each creditor would receive, in point of fact, for his 480 grains the amount of his debt, 492 grains of standard gold; the creditors of government would receive debtors pay, in a currency, the value of which was no longer the same as it was when their respective debts and credits were formed. A creditor to whom 480 grains of standard gold was due, was paid his £.3. 17s. 10½d. in a currency £.3. 15s. 11½d. of which would purchase the number of grains of gold which his debtor owed him. And on the other hand, a debtor, to obtain the means of discharging a debt of 480 grains, or £.3. 17s. 10½d. must carry to the mint for coinage 492 grains of gold; or which is the same thing, he must carry his 480 grains for coinage, and 1s. 11½d. as the duty which the mint charges for workmanship. In either case, he would have 2½ per cent more to pay in discharge of his debt than he would have had, had no duty been imposed upon the coinage; so that in whatever point of view a duty upon coinage can be taken, it is, in my judgment, improper and unjust; and indeed whatever cause can operate to reduce the market price of gold below the mint price, pertains of the previous effects of a duty upon coinage, by which all debts and credits, contracts and bargains, would be affected.

Then, in point of fact, though we have by law no seignorage upon our gold coin, yet the practice of the mint and the bank of England together, has amounted to a duty on coinage of nearly 10s. per cent?—Unquestionably; there was no duty upon coinage by law, and it rose entirely from the bullion dealers choosing to sell their bullion to the bank for £.3. 17s. 6d. per ounce, rather than wait the process of the coinage; the loss of interest by which must have been greater than the 4½ per ounce, otherwise the dealers in bullion would have carried their bullion to the mint; during the period, however, that the market price of gold was £.3. 17s. 6d. there cannot be a question, in my mind, but that depression of price below £.3. 17s. 10½d. was attended by all the evils which I have formerly explained in regard to the altering of the standard, and of the debts and credits of the country.

Then, in your opinion, during the payments of cash at the bank, the bank had the complete power of increasing and decreasing the value of money, to a certain limited extent, and that the mint was never used by individuals to correct such inequalities in the value of money?—I am clearly and decidedly of opinion, that the bank possessed the complete power over the value of the currency, while she possessed, if I may so term it, the monopoly of the manufacture of coined as well as paper money. If the regulations of His Majesty's mint caused a delay of delivering coin for bullion, by a loss of interest on the bullion sent for coinage equivalent to 2½ per cent, the bank could have indemnified herself for this loss of interest, by depressing the price of gold to £.3. 15s. 11½d. The bank, however, never depressed the price of gold below £.3. 17s. 6d.; so that the loss of interest she sustained by the delay of coinage, might have been just about equal to 4½d. per ounce.

If

Robert Market,
Esq.
(19 March.)

If the bank had attempted a greater reduction of the market price of gold, the importer of bullion would have carried it to the mint for coinage; they only sold their bullion to the bank from the facility they obtained of realizing their capital in currency. The delay of coinage at the mint has, in this respect, been the cause of a great imperfection in the state of our currency.

Do you conceive, that opening the mint, upon the plan which you propose, would have the tendency to equalize any inequality in the state of the currency?—If the mint was open for delivering coin for bullion on demand I am clearly of opinion that no permanent inequality in the value of our currency could exist. The great utility of a mint, in my opinion, is to correct, by supply, any deficiency in the currency, and by the abrogation of all penal laws respecting the exportation of coin, to give every possible facility to its reduction, if in excess.

In fact, then, your plan would go to bring metallic money, when it could be profitably coined by bullion dealers, into competition with bank of England paper, which in periods of alarm and under fears of the state of public credit, which the directors of the bank may possess, might be issued in too limited quantities?—About a century past the bank of England have had the complete control of the currency of the country; the mint, it is true, has been open to the public, but on such a footing as to act as a prohibition to coinage. The dealers in bullion, who by the natural principles of trade should supply the public with metallic money, have never operated to produce this effect; for the mint, that should have been used for the benefit of the public, has been used only by the bank of England. The principle which governed the bank in her coinages was that of self preservation; and no coinage was undertaken with a view to supply the country with a gold coinage, but as connected with the safety of that establishment. If the currency was in great scarcity, particularly in periods of alarm or failure in commercial credit, the bank, considering her own safety, would not perhaps give all the supply of currency which the wants of the public required, as was the case in 1793, 1797 and 1798; had the mint been open in these years, upon the principle explained, the dealers of bullion, or, if the term may be used, the bankers of metallic money, would have come in competition with the issuers of paper money, and the interest of both parties would have more immediately corrected any irregularities in the value of our currency. In bringing metallic money into competition with bank notes, we should have fewer fluctuations in the value of our standard than existed previous to the suspension of cash payments, and in my opinion would be a great safeguard against the necessity of recurring to such a measure again; indeed, in my opinion, if the mint had been open upon the plan here suggested in 1816, the bank would, if I may use the term, have been compelled to open, from the competition of the dealers in bullion bringing their coin into competition with bank notes, and the distresses of a limited currency would have been sooner removed; but the bank purchased gold in that year, with a view to prepare herself for performing her duty to the public; but in my opinion, the sacrifice of the higher price was unnecessary, and to be regretted; the bullion dealers would have enabled her to open, if she had stood neuter. In 1797, I am also inclined to think that much distress and alarm would have been saved, if the mint could have co-operated to supply the currency necessary for the circulation; in fact, the mint should always act as a regulator of the currency. In the absence of bank paper it is the only source of supply, and with bank paper, the only accurate regulator; but the practice of the mint and bank together, has deprived us of the advantages of this useful power; and much distress has and may occur again, until this power is restored.

An opinion has been stated to this Committee, that in the event of the resumption of cash payments, gold and silver coin would not continue to circulate together, as the present silver currency has been depreciated, as compared with the silver currency which was in circulation previously to the Act of 1816; have the goodness to state to the Committee, what is your opinion of the effect of the alteration made by the law of England in 1816?—I should apprehend it has no effect at all upon the value of the gold currency of the country.

Do you think, as the mint will only issue to the party who brings a pound of silver bullion, 62 shillings in exchange for the pound so brought, the pound being coined into sixty-six shillings, and as the mint can now exercise a power of refusing to issue coin at all on the demand of the party who brings bullion, that these circumstances will prevent the possibility of any inconvenience arising from the change which has lately taken place in the value of the silver coin?—Certainly; it will have no effect whatever.

If there could be any doubt upon the subject, do not you think the limitation of the silver coin, as a legal tender, to 40s. would effectually remove it?—I think it would; but the great safeguard against any traffic in the coin, lies in government having the possession of the coinage in their own hands, and that they should keep it.

Robert Mallett,
Esq.
(19 March.)

Previous to the late Act for the regulating the gold and silver currency, what was the proportion of standard gold and silver in our mint?—The proportion was as 1 to 15.0725.

What was the mint price of standard gold and silver by such proportion?—Gold was 3*l*. 17*s*. 10½*d*. and silver 5*s*. 2*d*. per ounce, and each a legal tender.

If the mint and market proportions were the same, there would be no inducement to coin gold in preference to silver, or silver in preference to gold?—When the market conforms to the mint proportion, the price of gold and silver must be the same also, and there could be no inducement to coin the one metal in preference to the other, unless the delay in getting coin for silver bullion for example exceeded the period for gold, or that the general utility of silver for the convenience of small payments, gave it a preference to gold.

Then it would have been the conformity of the market to the mint proportion of gold to silver, that would have determined that both metals should be coined, and any proportion above or below the proportion of the mint, would by the market price of gold or silver, have determined which metal could be advantageously coined?—When both metals are legal tenders, and the market the same as the mint proportion, it is nearly a matter of indifference which metal is coined. If the market proportion vary from that of the mint, which is 15.0725 to 1. to 15½ to 1, then silver would become the standard, and it only would be coined, because no person would carry an ounce of gold bullion to the mint to be coined into 3*l*. 17*s*. 10½*d*. when with that ounce of gold he could obtain 15½ ounces of silver in the market, which at the rate of 5*s*. 2*d*. per ounce, would be coined into 4*l*. 0*s*. 1*d*. and with 3*l*. 17*s*. 10½*d*. he could discharge a debt, leaving a profit of 2*s*. 2½*d*. per ounce. The price of gold would very soon rise to 4*l*. 0*s*. 1*d*. per ounce, and of course would be withdrawn from the circulation, for the profit of 2*s*. 2½*d*. per ounce. On the other hand, if the market proportion became as 14½ to 1, no silver would be coined, for no person would carry 14½ ounces of silver to the mint, to be coined into 3*l*. 14*s*. 11*d*. when they could obtain one ounce of gold for them, which if coined into 3*l*. 17*s*. 10½*d*. would afford a profit of 2*s*. 11½*d*. silver would now rise to 5*s*. 4½*d*. per ounce, and of course would disappear from circulation. It was by a similar process, that the silver recoinage in King William's reign, undertaken at the suggestion of Mr. Locke, was melted down; the proportion of the market was about 14½ to 1.

If this was the state of the case previous to the late Act for coinage, when the coins of both metals were legal tenders, what effect has this Act had in altering the market proportion of gold and silver, the test by which one or both metals may be coined?—In my opinion the late Act for coinage has not and cannot produce any alteration whatever in the market proportion of gold to silver, and consequently cannot interfere with the natural disposition to the coinage of either gold or silver, which now, as formerly, will depend entirely upon the market relative proportion of the one metal to the other.

If the Act for coinage has no effect in altering the market proportion of gold and silver, what effect has it upon the mint price of silver?—In my opinion the Act has not altered the mint price of silver. If the mint was open for the coinage of silver, an importer, to obtain 3*l*. 17*s*. 10½*d*. of coin, must carry to the mint 15.0725 ounces of standard silver; in doing so, he carries it there at the rate of 5*s*. 2*d*. per ounce, as before the late Act.

If by the new Act, 66*s*. are cut out of the pound troy, and 6*s*. 2*s*. given out by the mint, what proportion in ounces would I receive in silver coin, supposing my silver to have been purchased by gold, at the rate of 3*l*. 17*s*. 10½*d*. per ounce, and what proportion would be kept at the mint for seignorage?—An importer of bullion would receive in coin

-	-	-	-	-	14,1590 ounces
The mint would retain for seignorage	-	-	-	-	9135

ing together the old mint proportion of gold to silver.

Then the proportion of 14,1590, and the seignorage of 9135, making together 15,0725, the old mint proportion, must exist in the market before any silver could be coined advantageously under the new Act for coining silver?—If the mint were

Robert Mallett,

Esq.

(19 March.)

open for the coinage of silver, it is unquestionable, that no silver would be imported for coinage, unless its market price was 5*s.* 2*d.* per ounce; or in other words, the proportion of gold to silver in the market being the same as the old one of 15.0725 to 1; as the seignorage of 1813 does more than pay the expenses of coinage, the government might still coin without loss, but with less profit than six per cent.

Then in point of fact, the new Act for coinage has not altered the proportion of gold to silver at the mint, seeing that its coinage now, as before the Act, depends upon its market price being 5*s.* 2*d.* per ounce, or the proportion to gold in the market being as 15.0725 to 1?—In a former answer I have stated, that the new Act could not alter the proportion of gold to silver in the market, and of course could not interfere with the coinage of either gold or silver.

Under these circumstances, could I make a profit by melting gold coin, selling it, and buying silver bullion for coinage?—Not when the market proportion of gold to silver remained as 15.0725 to 1.

Under what circumstances could I make a profit by buying silver with gold, for coinage?—I have already explained that; when 15*½* ounces of silver can be obtained for one ounce of gold, that if the mint was open for coinage, I could coin silver, and gain 2*s.* 2*d.* upon every ounce of gold I employed to purchase silver; if the legal tender is limited to 40*s.* the trade in it would not be extensive.

Does the new Act for coinage grant any facilities for obtaining this profit, which existed under the old system of coinage in the same degree?—None, whatever; the rate of profit upon the coinage of silver will depend entirely upon the relative proportion of gold to silver in the market; over which, I have already said, our mint regulations have no control.

Are you aware, that to prevent this traffic, the legal tender of the new silver coin is limited to 40*s.*?—I am aware of this fact.

If the market proportion of gold to silver is as 16 to 1, what profit could there be made, supposing I could coin this silver?—Sixteen ounces of silver would be coined into 4*l.* 2*s.* 8*d.* so that the profit would be the difference between 3*l.* 17*s.* 10½*d.* and 4*l.* 2*s.* 8*d.* which is 4*s.* 9½*d.* per ounce of gold, and is about ½ per cent.

If the profit depended upon the difference between the mint proportion of 15.0725 and 16, which is .9275, could I obtain this profit, without the power of converting it into coin?—There could be no profit if there was no power to coin silver.

Are you aware, that under the new Act for coinage, the subject is deprived of the privilege of coining silver at the mint?—I am; and from the passing of the Act was impressed with the opinion, that it would be necessary to rest the coinage of silver in the hands of government; it would always be so when the proportion was under 15.0725, coin would be demanded, and government would have to coin, if not at a loss, with less profit.

Under what operation of the new Act for coinage, could the gold coin be driven out of circulation, seeing that all competition between the coins of gold and silver is destroyed, by the legislature confining the coinage of silver to the exclusive hands of government?—It is in my opinion, quite impossible to have any traffic in gold coins, by buying silver for coinage, under our present excellent regulations at the mint.

During the years 1816-17 and 18, the market proportion of gold to silver was as 15.365 to 1, what would have been the profit to government on coining silver?—When the market proportion of gold to silver is as 15.366 to 1, the price of silver would be 5*s.* 4*d.* per ounce, and the government would have gained in a healthy and natural state of the currency, 5½*d.* per ounce.

The proportion is now about 14½ to 1, what loss would be sustained by coining silver?—When the market proportion is 14.75 to 1, the price of silver will be 5*s.* 3½*d.* per ounce, so that government would lose 1½*d.* per ounce of the natural amount of the seignorage on the silver coinage.

JOHN WARD, ESQUIRE,

Called in; and Examined.

Ward,

What is your particular line of business?—A merchant: I was a general merchant; but for the last two or three years, I have in a great measure retired from commercial pursuits, although I still retain my firm of business in the city, and attend as Change regularly. I have latterly confined myself more to money operations, and have been largely interested in the late foreign loans.

Are you concerned in foreign exchanges?—Only as an observer, excepting in so far as may be necessary to liquidate the amount of any foreign engagements before mentioned.

John Ward,
Esq.

(19 March.)

Is it your opinion, that the rate of the foreign exchanges, and the market price of gold, are affected by an increase or diminution in the amount of bank paper?—Certainly.

Do you think it would be in the power of the bank, by a reduction in the amount of their paper issues, to restore a favourable rate of exchange, and to reduce the market price of gold to the mint price?—That is my opinion.

The operation of other circumstances being the same, what amount of reduction below the present amount of bank paper outstanding, would in your opinion have that effect upon the exchanges and the price of gold?—It must depend very much upon the state of trade at the time the reduction takes place; but in the present state of trade, I think that reduction need not be great.

Supposing the bank deemed it necessary to make a reduction, for the purpose of effecting those objects, to the extent of 2 or 3 millions below the present amount of bank paper outstanding, which is about 25 millions; and supposing that reduction to take place gradually, and to be completed within a period of nine months, what in your opinion would be the effect of that reduction upon the commercial and manufacturing interests of the country?—It would occasion considerable pressure; but not more, if indeed so much, as the same measure must produce at any other period.

Supposing, during the period that that reduction was taking place, a repayment of the debt due by government to the bank, was made in such a manner as to enable the bank to increase its accommodation in the way of discount, although ultimately there might be a reduction in the total amount of the issues, do you think that increased accommodation in the way of discount would tend to lessen the embarrassment which would arise from the lessened amount of bank of England paper?—I certainly do; and having given much attention to the subjects now under consideration by the Committee, I am prepared to give my opinions generally on those subjects, if desired so to do.

State then your opinions generally?—A redundant, and consequently depreciated currency, advances the money price of all merchandize, both native and foreign, thereby encouraging the import, and discouraging the export of goods, so as to induce remittances in specie or bullion, until the demand has exhausted the former, and advanced the latter, in equal proportion with other commodities; when the consequent fall in the exchanges again facilitates the export of manufactures and produce to foreign markets, and at the same time measures the depreciation. Unless preceded and accompanied by a reduction of paper, any plan for the payment of bank notes in specie, or in bullion under the market price, will be inefficient, and only tend to supply an article for export more advantageous than merchandize can ever appear, so long as our circulation continues redundant. The excess of bank paper has been chiefly occasioned by the great amount of advances to government, and the repayment of those advances is indispensable to the safe resumption of cash payments:—

The liquidation of that debt, by monthly instalments, would enable the bank gradually to reduce the circulation, and at the same time greatly to alleviate the pressure on the public, by increasing their discounts to merchants, bankers, and other individuals. For the security of the public it is highly desirable that the amount of advances to government, in future, should never exceed the real capital of the bank, and that bank notes should only be issued in exchange for specie, bullion, mercantile bills at short dates, or other private securities, always convertible at short notice, and under the absolute control of the bank, which a debt from the government can never be:—

The present commercial distress has chiefly resulted from the excess of paper issued in 1817 and 1818, which gave such facilities to speculators in raising money and advancing prices, as to induce the manufacture of goods and importation of produce to amounts infinitely exceeding the demand for consumption in the British and foreign markets, so that sales cannot be effected without very great loss:—

The same excess of currency, by suddenly and extravagantly raising the price of English funds, and lowering the rate of interest here, forced a large amount of capital abroad for advantageous employment, and gave wonderful facilities to the large operations in foreign loans, which could not otherwise have been undertaken to the same amount, or with the same success.

*John Ford,
Esq.*

(19 March)

The first effect of a resolution to resume cash payments, at an early period, would be to draw back a great portion of the British capital now invested in foreign funds, which the owners would be anxious to realize at the present exchange, from the certainty of its soon advancing to par; and the same certainty would influence the operations of all the capitalists of Europe, who would anticipate or discount the event:—

In resuming cash payments, it may be advisable to make bank notes a legal tender (between individuals), so long as the bank shall pay these of £. 100 and upwards, on demand, in specie or bullion, at the rate of 77 s. 10½ d. per oz. of standard gold, or in proportion for other gold and foreign coin; this would prevent any great inconvenience from the first simultaneous demand for gold, by or from the numerous provincial banks:—

The idea of debasing the coin would be unworthy of the nation; it would be a direct fraud on all creditors, both of the state and of individuals; it would operate as a most unjust, because unequal, tax; and it would also be unavailing, for our foreign exchanges and the price of gold would be regulated by the intrinsic value, and not by the mere denomination of our coin; and the general wealth of the nation would neither be increased or diminished by reducing all debts to 19 s. in the pound, as the creditors must lose all that the debtors save; and for the national loss of character for good faith, there can be no equivalent:—

Our currency, for many years past, has had no fixed standard; it has therefore been indefinite in its value, and subject alternately to great expansion and contraction, the first exciting, the latter destroying speculation, and rendering British merchants mere adventurers:—

Whenever the resumption takes place, considerable pressure must be felt from the reduction of issues necessary to restore the value of our currency; but the still existing distress, occasioned by the extraordinary issue of paper in 1817 and 1818, has ruined so many speculative houses, that probably an immediate preparation, and early resumption of cash payments would be far better, than to wait until renewed facilities shall have raised up another class of speculators, to suffer at such future time as the measure may be postponed to:—

It is highly desirable that the public should early and distinctly know the time and manner in which the resumption is to take place, and that on this point some satisfactory pledge should be given by the government and the bank directors.

Why do you think it necessary that the government should repay to the bank a considerable portion of the debt that is due to it, in order that the bank may be enabled to resume cash payments?—Because assuming the general amount of issues at 25 millions, and only one-fifth of that sum as discounts at present; supposing also a reduction of about 2 millions necessary to enable the bank to resume cash payments, the government would withdraw the sum to be repaid from the general circulation of the country, either by direct taxation from those who can best support it, or by loan from those who can most conveniently spare the money, whereas the alternative of diminishing the bank discounts would deprive the needy, (in a time of general pressure) of two-fifths of their usual facilities, which must occasion greater partial distress, and therefore more numerous bankruptcies.

Does not the amount of notes which is outstanding upon government securities, enable the merchants to procure facilities of discount?—Certainly, in degree, every note outstanding must tend to give or to increase that facility.

Supposing there to be 20 millions of bank notes outstanding on government securities, and that those 20 millions were reduced to 15 millions, by the repayment of the advances due by the government to the bank, would not the means of private bankers to afford accommodation to merchants, be reduced nearly in that proportion?—Certainly; but merchants would partake of that inconvenience only in proportion with the rest of the community; whereas a diminution of their peculiar facilities of discount by the bank, would press upon the mercantile class partially and severely.

You have given it as your opinion, that it would be desirable that the period fixed by the legislature for the resumption of cash payments, should be an early one; and you have also given it as your opinion, that before cash payments can be resumed, it is necessary that a considerable portion of the debt due by the government to the bank should be repaid; out of what fund do you propose that repayment should take place?—My opinion is, that the best way of providing those Periodicals would be by taxation.

Supposing

Supposing that mode not to be resorted to, what would be the effect, do you conceive, of a loan raised for repaying that portion of the debt?—Its effect would be to lower the funds.

Supposing the bank to give the usual facilities towards the payment of the advances upon such a loan, what would be the effect of their so doing?—The object would be wholly defeated, as it would prevent the indispensable reduction of issues.

What did you mean by the words “the real capital of the bank,” which you state their advances to government should not exceed?—The capital of the bank, at the time that cash payments were first discontinued, was £. 11,685,300, which is understood to be a permanent loan from the bank to the government during the continuance of the charter; the capital has since been increased £. 2,921,700, by a bonus of 25 per cent in bank stock having been divided amongst the proprietors. It is often asserted, that a large amount of profit is still undivided; if so, and that shall be divided amongst the proprietors on the same principle as the last 25 per cent, I should call those three aggregate sums the real capital; in short, the whole of the bank assets are real capital, after deducting the amount of outstanding bank notes, and the private balances of individuals.

Do you conceive, that if there was a general understanding that the bank would be compelled to resume cash payments at the expiration of a year, that would afford sufficient time for the merchants and other persons interested to make such arrangements as might be necessary, in order to accommodate their commercial dealings to the new state of the circulating medium of this country?—I cannot conceive why they should require more time; I am rather of opinion, that a longer delay would be more injurious to the country, because it would paralyze the general enterprise of the country so long as to throw a greater number of people out of employment.

In giving these answers, have you adverted to the possibility that it may be necessary for the bank to make a great addition to their present stock of gold, in order that they may, on the resumption of cash payments, be able to meet the demands that may be made upon them?—I am not aware of the amount of gold now held by the bank; but I am of opinion, that it depends only on themselves to possess as much gold as may be necessary for their purpose, in as short a time as may be required for the object in contemplation.

In what way could they proceed to effect the purchase of gold, except by the issue of bank notes?—The first step towards purchasing gold should be, to reduce the issue of bank notes, which would bring gold to the mint price; after which, when the bank reissued notes for the purchase of gold, the issues of bank notes for other securities must be diminished; or if the government pays the bank by monthly instalments, in the manner suggested, a portion of those instalments might be applied to the purchase of gold, a portion to discounting commercial bills, and another portion might be reduced or abstracted from the circulation.

Supposing the reduction to which you advert to take place in the amount of bank issues, would not the effect be, a corresponding fall in the prices of commodities, on account of the increased value of the circulating medium?—Undoubtedly, all commodities would bear a lesser nominal, but an equal intrinsic value.

Supposing it was necessary to resort to taxation, for the purpose of raising the sum which you conceive to be necessary to enable the government to repay the portion required of its debt to the bank, would not the pressure of that amount of taxation be greater, on account of the reduction in the amount of bank notes, than it would be at present?—Certainly.

It is understood to be your opinion, that previously to the resumption of cash payments, there must either be such an effort of taxation, or money must be raised by loan, to which the bank should not be a party?—I see no other alternative.

Are you of opinion, that under the restriction of cash payments, the excess of the market price above the mint price of gold is an indication of the paper currency being depreciated, during the restriction of cash payments?—Certainly.

Is the amount of that excess of the market above the mint price of gold the measure of that depreciation, in your opinion?—It is.

Are you of opinion that, under the system of a resumption of cash payments, the market price of gold ever can permanently, say for a period of one month, continue above the mint price of gold, supposing the gold coin to be in a sound state?—Not without a most extravagant and unwarrantably continued issue of bank notes on government securities, inconvertible by the bank, which cannot again be expected, but which experience has proved to be possible.

The question supposes cash payments to be resumed, and of course all paper issued

John Ward
Esq.
(19 March.)

John Ward,
Esq.

(19 March.)

issued by the bank to be convertible into gold coin?—That ought to prevent it, and in all human probability would.

Can you state any circumstances which you can contemplate, and which would keep the market price above the mint price?—None, but an extravagant issue of bank notes, continued longer than the period alluded to, even after the consequent demand for gold has become excessive; this is very improbable, and can only take place if the issues are made on government securities.

Do you think the operations and speculations of individuals in this country in foreign loans have been greatly facilitated by the restriction upon cash payments?—Certainly; I have stated that to be my opinion.

Then you are of opinion, that the resumption of cash payments would tend greatly to check those speculations and operations, and the investment of British capital in foreign securities in future?—Very materially, as it would make that capital more valuable at home.

Assuming the idea of the bank resuming cash payments within a short period, such as twelve months, do you think it desirable to adopt that measure at a time when the country is overloaded with goods at prices depreciated from 25 to 50 per cent; and do you not think, that pressing the reduction of the circulating medium necessary to the resumption of cash payments within such a period, would bring ruin on many of those mercantile houses which have hitherto withstood the shock?—That a further reduction of the currency must increase the pressure, is certain; but I have no idea that the distress will be greater, if indeed so great, at the present time, as it must be at any other when the measure shall be adopted.

Would you not think it would press less upon the mercantile world when the trade was not labouring under heavy losses, than at a period when almost every article in which a merchant has been engaged leaves him a loss?—The pressure in individual cases may possibly, in some instances, be more severe; but looking at the general effect on the country, I am of opinion, that on the whole there would be less suffering created by the resumption now than at a future time.

Are you of opinion that the embarrassments referred to in the former question, and the state of the country, now said to be overloaded with goods, may be in any manner attributed to an excessive issue of paper currency?—Certainly; I have already given that opinion.

Was any large proportion of the remittances made on account of money invested in foreign loans, remitted from this country in bullion, or coin?—It is understood that 5 or 6 millions of gold sovereigns were issued here, and they have all disappeared; for whatever purposes they may have been remitted, they must have formed a part of the general amount of payments from this country to foreigners.

Were the payments, as far as you were concerned, made in bullion remitted from hence?—I do not know exactly in what manner the payments were made; those for the Prussian loan, so far as I was concerned, were made to Mr. Rothschild, those for the French loan to Mr. Baring; I have reason to believe that a quantity of silver bullion was remitted on account of the Prussian loan, but I cannot state exactly the amount.

Can you form a general estimate of the amount of British capital, either invested in foreign funds since the peace, or employed in the loans of different powers?—An estimate of that nature was communicated to me for my opinion, previous to its being stated here by Mr. Haldimand, and I concur generally in the view of the amount of investments, as stated by him.

You concur in the paper delivered in by Mr. Haldimand?—I concur in the statement made by Mr. Haldimand, of the amount invested in foreign funds; but at the present moment, I should imagine, very little British capital is employed in foreign loans.

Where do you suppose the funds to be provided, which are now employed in those foreign loans?—They are provided by the sale of the stock created for those loans; the contractors, both for the French and the Prussian loans have the entire control and possession of the whole amount of stock so created, and can sell it, if the market admits, and the market has hitherto admitted, as fast, or, if they please, faster than the proportion of payments they are bound to make; so that it is probable those foreign loans may rather increase the available capital of the contractors than diminish it.

Do you think the disposition to invest British capital in foreign securities continues, or is diminishing?—I consider it diminishing, both from the state of politics in France, and from the state of the money market here.

From what period do you think the disposition to invest money in foreign funds has been diminishing?—Within the last three or four weeks, since money has become more valuable here.

*John Ward,
Esq.
(29 March.)*

Would it make any difference, in your opinion, as to the expediency and practicability of resuming cash payments, if you were to ascertain whether the remittances made from this country for investments in foreign loans, or other foreign securities, had been made by a transmission of bullion, or by the exportation of goods?—Not the slightest difference; a payment from one foreign country to another, will always be made in what is the cheapest commodity, and the best remittance.

Are you of opinion, or not, that in looking to the resumption of cash payments, it may not be necessary so far to restrict the emission of bank notes, as to produce an evil in the commercial world, greater than the benefit to be derived from the resumption of cash payments?—I think no evil can be so great, as the indefinite value of our currency, under which we have suffered for so many years.

You have stated, that you consider the paper of the bank of England to have been depreciated by excessive issue, during how long a period do you consider that depreciation to have existed?—I cannot distinctly state for how long a period, unless I could compare it with the value of gold.

About how long?—So long as the price of gold bullion has been above the mint price.

Would you estimate the depreciation of paper by a reference to the rate of exchange, or to the price of gold?—To the price of gold, generally; the rates of exchange would soon follow the price of gold.

With the exception, then, of that short interval of the year 1816, at which the great reduction of the issues took place, do not you consider the paper of the bank of England to have been considerably depreciated, at several different rates, since the year 1808?—Assuming the price of gold to have been above the mint price since the year 1808, with the exception of that period, I certainly do think so.

Had not all the contracts, public and private, during that period, been entered into, in that depreciated currency?—They have been entered into, in a currency depreciated for the moment, but which bore with it the promise of future payment; and that promise made as much a part of each contract, as the existing value of the paper.

A depreciation of currency is evidently a fraud upon the creditor, because it compels him to receive a less value than he contracted for; but when a depreciated currency has existed in a country for a considerable period of time, and all dealings and transactions have taken place in it, is it not an equal fraud upon the debtor, to restore that currency to its original value, inasmuch as it compels him to pay larger value than he contracted for?—It only compels him to pay the value for which he did contract; for if he is a debtor at the time when the bank, according to law, should resume its payments, he must have had, or ought to have had, that in his view at the time of making the contract; it was one of the liabilities to which he subjected himself, for what he must then have deemed an adequate consideration.

Lancæ, 22^a die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

VINCENT STUCKEY, ESQUIRE.

Called in; and Examined.

YOU are a country banker?—I am.

With what country banks are you connected?—Bristol, Langport and Bridgewater, in the county of Somerset.

*Vincent Stuckey,
Esq.*

Are you generally connected with all the country banks at those places?—We have an establishment at each place. Our banking establishment at Langport has existed for near fifty years.

(29 March.)

Are

Financial Secretary,
Esq.
(as March.)

Are there other country banks besides those with which you are connected?—Several in the county.

Have there been great fluctuations in the amount of the paper issued by the country banks with which you are connected since the bank restriction?—When the bank restriction took place in 1797, I was at the head of the bill department in the treasury, and of course saw a good deal of important transactions; soon after that period I succeeded to the principal management of a considerable country bank; in consequence, the subject of currency has very much engaged my attention. I now hold in my hand the scale of our circulation for the last four years.

So far as you recollect, what has been the case since 1797?—Soon after that year, if I recollect right, the circulation was very low; it gradually got up again, till some time before the year 1810; in 1811 it was very low; it began to increase again in 1812, and continued increasing till the latter end of 1815; in 1816 it became low again; since that it has been gradually increasing, in the following ratio:

March 1816	-	-	-	-	-	10
1817	-	-	-	-	-	12
1818	-	-	-	-	-	16
1819	-	-	-	-	-	17½

I think the circulation generally may be taken for the last twelve months to have been nearly stationary; but ours has increased lately, in consequence of a neighbouring bank getting out of credit.

So far as you know of other establishments, do you think the amount of their circulation has varied in pretty much the same proportion?—Yes, of banks in good credit, I should conceive so.

Do you mean to apply your observation, of the increase and diminution of other banks being similar to your's, to the whole circulation of the country?—I think, as before stated, the whole circulation of the country has been about stationary for the last twelve months.

Do you think the diminution arising from the discredit of another bank has been such as to vary the general proportion of the circulation in that part of the country?—No.

On what do you think the fluctuations in country bank paper mainly depend?—A good deal depends upon their credit, and also the prices of different articles; if articles are very dear, it requires, in my judgment, a larger circulation to carry on the business of the country than it would when articles are cheaper.

Do not you think the price of articles is rather the effect of an increase or decrease of country bank paper than the cause of them?—I think the price of articles might be affected by the great increase, but I consider that country banks generally follow the bank of England; if they increase their circulation, it has been commonly found that the circulation of the country banks increase.

Do not you think the high prices are caused by the increase of country bank paper?—A country bank well regulated of course takes care not to issue but on a fair demand; we endeavour not to lend on any speculation; but it is found, that if articles are dear, a larger circulating medium is required.

In what way do the issues of the country banks with which you are connected take place?—Various. For instance: many of the respectable farmers in our country keep accounts at our bank, and at one period of the year they frequently leave cash with us, which of course they draw out in our notes; at another period, we are in the habit of accommodating them: many gentlemen of the county also keep their cash at our bank; and when they receive their rents, it is paid into our bank, and we transfer the amount to the London banker, if they have one; if not, when the gentlemen themselves are in London, we order their checks to be paid by our London banker, carrying it to their account in the country. Much in that way, nearly the whole revenue in the county of Somerset, is collected and paid.

In what way do you issue your paper to those persons who have not deposits; what is the nature of the security you require?—Our established rule is to require two securities; we sometimes lend to two farmers on their joint note, in most instances for two months; another mode in which the established country banker gets his paper into circulation, is as follows. The county of Somerset is a grazing and an agricultural country, our graziers are in the habit of sending their cattle to

Smithfield

Smithfield market; the money they sell for is paid into our London bankers, by their agent in London; they then come to our country bank, and receive the amount in our notes; the same with dealers in corn: a miller is generally a large circulator of country bank notes; he opens an account with his country banker, and the notes he is in the habit of receiving he brings to his banker in the country, and receives his own banker's notes in exchange: we also now and then discount; but in a country situation, such as Bridgewater and Langport, there is not much discounting; part of that district is a clothing country, and we discount the clothier's bills on his agent in London, at two months.

*Witness Standing,
Esq.
(18 March)*

At what rate?—Invariably five per cent: another mode by which we get our notes in circulation, is, that persons who keep accounts with us, generally pay away our notes.

In what does the country gentleman make his deposit?—In what he receives for his rents.

In what are his rents paid?—Perhaps in our own notes, or probably the notes of others; probably there is £. 1,000 paid in, and he takes it out gradually in £. 100 at a time; country notes are deemed by gentlemen in their own neighbourhoods, to be preferable to the bank of England notes.

Do you allow interest on the deposits made with you?—Yes, we do; for the last thirty years, invariably three per cent.

If the deposits are made on your own notes?—Certainly.

Do you require a notice?—The notes are drawn thirty days after sight, but our rule is invariably to pay on demand, deducting the thirty days interest.

Do you ever lend money on mortgage?—No, that is not our system; country bankers are sometimes obliged to take mortgages, but we never do if we can avoid it.

What do you do with the notes of other country banks paid into your house?—We send them to those other banks for payment.

What is the proportion between the amount of your notes in circulation and the amount of deposits, and the proportion between the amount of your notes in circulation and the amount of bank of England paper which you retain, in order to answer your notes in bank of England notes?—We generally find that if we have £. 20,000 in circulation, £. 1,000 is ample in the country to answer any demand in bank of England paper; if a neighbouring bank should fail, or any extraordinary circumstance arise, we immediately increase our deposit of bank of England paper; the communication with London is now so immediate and rapid, that any very large amount of bank of England paper is found, by experience, to be unnecessary; certainly short of the amount which it would have been thought prudent to have kept thirty years ago. Our deposits fluctuate even more than the amount of our circulation; we had very few deposits in 1816 and 1817, but for the last twelve months the deposits have increased; I think the amount of our deposits bear about the proportion of one-third to the circulation.

In what way do you invest that part of your deposit which is with the London banker?—We keep all our deposit and a vast proportion of our circulation in government security in London, in funded or unfunded property, so that it may be convertible at an hour's notice: we also keep a deposit of a certain sum with our London banker, without interest, as a compensation for doing our business.

Do your London bankers allow you any interest upon the sums above the deposit?—Yes; our bankers allow us three per cent; but I believe some others give four per cent.

Supposing the Bank Restriction Act removed, and then your country banks were subject to pay their notes in cash, on demand, they being allowed to continue to issue one and two pound notes as at present, do you think there would be, in the part of the country with which you are connected, such a decided preference for cash, as compared with country bank paper, as to lead to a great demand for the conversion of that paper into coin?—I should think not; and I should be very sorry indeed, as it would be very inconvenient to us to carry on our business, if it were possible to change all the one and two pound notes into coin.

—You think that the parties would remain in general very well satisfied with country bank paper as a circulating medium?—Yes, provided the value is kept equal to the standard; I think they would; having known the convenience of paper, they would not change it for coin. In the latter end of the year 1816 and beginning of 1817 we had a circulation of coin for some months: it cost us in that period nearly one hundred pounds to transmit the surplus quantity of coin to London, of which four-fifths

Vincent Stacey,
Esq.

(10 March.)

in value, at least, consisted of gold; we could not get rid of it in the country, our customers preferring our notes.

Did you make any objection to deliver coin to any person who brought the notes?—We wished them to take coin, but they preferred notes, and we were obliged to transmit the coin to London; some who had hoarded guineas, brought them in, and requested as a favour that we would give them our notes for them.

Were the guineas that were then in circulation, and which you offered to give in exchange for your notes, perfectly new ones, and such as no doubt could attach in as to their being of full weight?—Many of them were full weight, some of them were not.

Were the guineas such as you might have compelled the party to take as a legal tender?—Many of them, but not all.

Did you find any demand for those that were of full weight?—Not the least. In the spring of 1817, I brought with me to town near 1,000 guineas from one of our banks: on taking them to our London banker, they requested as a favour, I would not leave them there; they had lately sent so many to the bank of England that they did not like to trouble them any more; besides, the bank only took those which were quite full weight.

Supposing that instead of country banks being subject to pay their notes in cash, they were subjected to pay their notes only in bank of England notes, the bank of England note alone being convertible into cash at the will of the holder; do you think there would be, for the purposes of internal circulation in those parts of the country with which you are connected, any demand for coin?—In my opinion, the circulation of the country will not at all require coin, except silver for small payments; I think gold coin would certainly not be required, and I illustrate that by our experience in 1816, as before described.

Had you any sovereigns in the country in 1816?—We had very few.

Supposing that a positive obligation were imposed upon the bank to resume cash payments at the expiration of two years from the present period, and that subsequently to the resumption of cash payments by the bank, country banks should be allowed to issue their notes in the same way that they are allowed at present, namely, one and two pound notes convertible into bank of England paper; should you have any apprehension with respect to the effect of such an obligation on the bank, with reference to those banking establishments with which you are connected?—I should not.

Do you consider that the amount of country bank paper in circulation necessarily fluctuates with the amount of bank of England paper?—I think it does; it is extremely difficult to answer that question correctly; I have taken a great deal of pains upon it: I think in 1816 it will be found that the bank of England circulation was higher or as high as it ever had been, and that arose in my opinion from the then discredit of country banks; we all at that time, instead of keeping a deposit of bank of England of one in twenty, kept three or four in twenty, for the whole country was in a state of agitation and alarm; we heard of country banks failing every day, and that threw the rest into disrepute; but the circulation of the country bank paper is in my judgment governed in a great measure by the issues of the bank of England, in quiet and ordinary times.

Do you think that if the bank were, in the course of twelve months, to make a reduction in their issues to the extent of three millions below their present amount, that after a given time, that would necessarily lead to a corresponding reduction in the amount of country bank paper?—I think so.

Is the circulation of Somerset confined to country bank paper generally?—Almost entirely.

There are no bills of exchange circulated?—Very few in comparison to Lancashire and Worcestershire; I do a good deal of business in Worcestershire, and take many bills there of ten or fifteen pounds, which perform the office of circulating medium; in Somersetshire the circulation is almost entirely in cash notes.

Have you calculated the amount of country paper in circulation in Somersetshire?—Yes, I have frequently calculated the amount in that county, excluding Bristol and Bath, where there is a good deal of local circulation; I think the county of Somerset may have about £,250,000 in circulation, independently of those two places.

What amount had it at the time the country bank paper was at the highest amount, and what amount when at the lowest?—I think it was down in 1805 to about

about £. 130,000; the highest at any one period, for twenty years, I should think was £. 350,000.

Is not country bank paper preferred to bank of England paper in the county of Somerset?—Yes, in general, for obvious reasons; the forgeries of the bank of England have been very great for the last few years.

Do not you think habit occasions a preference?—Yes; more particularly if the public know the parties and their property.

Would not persons who have been in the habit of receiving paper, continue to do so in preference to coin, if they were satisfied of the solvency of the country banker?—Certainly, I am of that opinion.

Has not the principle on which country bank paper has been issued in this country for several years past, in your opinion, led to and produced a rise in the prices of commodities?—I should think, from what I have heard and seen of many banks, it must have had that effect, for they have been very imprudently managed; they lent their property on very inadequate security, and we have seen the unfortunate result in many instances.

Does not an excess in the issue of paper currency, supposing it to exist, meaning always, a currency inconvertible into gold or silver coin, lead in the very nature of things to an absorption of that excess in the prices of commodities?—I think it does.

When you state that you conceive the payment of country bank paper in notes of the bank of England, will be perfectly satisfactory, are you at all acquainted with the plan for the resumption of cash payments, commonly called Mr. Ricardo's?—Certainly I am.

With reference to the payment of country paper in notes of the bank of England, and of the resumption of payments by the bank, do you think this plan will afford a facility both to country bankers and to the bank of England?—I think that it would.

What are the inconveniences which you consider would arise from this change in the mode of paying the notes of the bank of England?—I am not aware of any inconvenience which can arise; I think it would be attended with very considerable convenience to pay the larger sums in bullion: it appears to me to be a very great improvement on a well-regulated paper currency; and it has always struck me, that at the resumption of cash payments by the bank, the above would be by far the best plan I ever heard of: I think it would do away a great part of that which many dread, a great and general demand for guineas; and after a year or two, seeing how the plan answered, the circulation of coin might be introduced, if found necessary.

Are you engaged in any other business except that of a country banker?—Yes; I am a manufacturer of salt: the house with which I am connected is the largest payer of duty in England, we pay £. 1,000 a day duty; the amount of our duty last year was near one-fifth of the whole duty on salt.

How are the payments made?—Devonshire, Somersetshire, Gloucestershire, and other parts, are supplied from our works, and the payments are made in bills of exchange and cash notes, and the amount of currency which passes through our hands is of course very considerable; our remittances to London last year were upwards of £. 12,000,000.

Are your one pound notes payable in London?—Yes; we have found very great inconvenience from local circulation, that is, notes not payable in London, notwithstanding the bankers in our county, with a view to facilitate their business, have for the last seven years fixed on some central point where, on a certain day, they meet to exchange their notes, upon the principle of the clearing-house in London, by which means the circulation is economised: this mode of exchange is also adopted in Bristol.

Have you any suggestion to offer to the Committee to give greater security to the circulation of country bank paper?—If any thing should be done, of which I have many doubts, in my opinion an method is so proper as associating them to the bank of England, by lending a proportion of their capital to the government, at a certain interest. The mode which has been suggested of making them lodge security in some proportion to the amount of their circulation, appears to me liable to many objections, as nothing is more uncertain than the amount of circulation; it varies at different periods of the year, and frequently a sudden demand is made for it: in one day, within a month from this period, we issued at one of our banks, on a large fair-day, near £. 50,000 in cash notes, nearly the whole of which were given in exchange for other country bank and bank of England notes.

Financial Meetings.
Etc.
(2d March.)

Financial Secretary.
Esq.
(22 March.)

Should you see any objection to a further assimilation to the bank of England, by allowing a number of partners exceeding six to be associated in country banks?—I think it would be injurious to the existing establishments.

In what mode would it be injurious?—By lessening the business of the established country banks.

Would it be likely to diminish their business by the circumstance of the public being disposed to place a higher confidence in banks such as have been described?—Probably it would: ours, which has existed for nearly fifty years, might have its circulation diminished by a company setting up in opposition to it; but I think business done by a company would not be transacted so much to the satisfaction of individuals as it is when done by a few persons.

Is it your opinion that prior to the restriction on cash payments in 1797, any very considerable proportion of the gold coin in this country, circulated in distant parts of the country and out of London?—It certainly did circulate much more than it has at any period since.

Is it not then, upon the whole, your decided opinion, that in the event of the resumption of cash payments, and of country bank paper being convertible into bank of England notes only, in point of fact there would be within the district locally known to yourself, only a very small circulation of gold coin?—I think very little gold coin would be required.

Have you made any general estimate of the amount of country bank circulation, from the experience you have had of a particular district?—Yes; I have formed an estimate of the whole kingdom, taking Somerset as my basis, and I think it amounts to somewhere between fifteen and twenty millions at the present time.

Have you observed, in practice, that an increase of the issues of the banks with which you are connected, has followed a rise of prices or preceded it?—I think it has followed it; I apply this answer to our own banks, but not to the general issue of paper.

Do you think, after the resumption of cash payments by the bank of England, that the country banks could safely keep up their circulation to its present amount?—I should think not quite to the present amount, but nearly so.

What do you think would be the effect of a reduction of country circulation, not accompanied by an increase of bank of England circulation?—It certainly would be attended with distress to many individuals; but I see no way myself of having the circulation kept *ad par*, unless the present amount of both bank of England and country paper is lessened.

What do you conceive was the amount of the country bank circulation of England, at the period when it was the lowest, in 1816?—Below ten millions.

Have you any reason to believe that the issues of your own bank have not risen and fallen nearly at the same time, and in the same proportions as the general paper circulation of country banks?—It certainly has risen and fallen very much like that of other banks in good credit.

What has been the cause of the general rise of prices?—I think the over issue of paper circulation has been one cause, and probably the weight of taxation another.

Do you think the general rise of prices, since the year 1793, greater than might be accounted for from the effect of increased taxation?—I think the rise has frequently been higher than can be accounted for by increased taxation alone.

Has that rise been permanent, so as to effect the general average of a number of years?—It certainly has not been permanent.

Have you not observed country bank paper, when it has been ever issued from any prudent management, return very quickly upon the issuers?—Generally speaking, it is so; but some of it I think is absorbed by the rise of prices.

In alluding to the greatly increased taxation of the country, do you consider or not, that the riches of the country have increased likewise?—Very much.

Do you not think it is a natural consequence of a great increase of the riches of the country, that the prices of commodities shall increase likewise?—Certainly.

Do you conceive that the general rise in the price of corn and commodities in this country generally, has been materially out of proportion with the increased riches of the country?—I think it has sometimes been out of proportion; and I attribute the cause, as before stated, to an over issue of paper; notwithstanding, it is my opinion the more paper we can keep in circulation, always having the standard value in view, the better.

Do

Do you consider it materially out of proportion to the increased riches of the country?—Not very materially at this time.

FISKE'S Ser/ty,
Esq.
(15 March.)

HUDSON GURNEY, ESQUIRE,

A Member of the House; Examined.

WITH what country banks are you connected?—I am a partner in the Norwich bank.

HUDSON GURNEY,
Esq.

Is that the only country bank with which you are connected?—All the other partners in the Norwich bank are partners in various branch banks, whose funds are chiefly employed through us.

Have you a general knowledge of the state of circulation in the county of Norfolk?—I conceive I have.

Has the circulation of the bank with which you are connected fluctuated very much at different periods of time?—I am not aware of any sudden or remarkable variations.

At what period, within the last six years, do you consider it to have been at the highest, and at what period at the lowest?—It is extremely difficult for me to state with any precision what the amount of the circulation of the Norwich bank really was at any given period, because, though I can state what amount of notes were outstanding on the note ledgers, I can never exactly say what proportion of them might have been lying either in our own chests uncanceled, or with our bankers in London, paid, but not returned to us. Subject to this degree of uncertainty, it would appear that the year 1813 was that in which we had the largest, and 1816 that in which we had the smallest amount out.

What determines the fluctuations, in your opinion, in the amount of country bank paper?—The price at which the staple commodity of each district is selling; for example, I consider that our circulation would increase with a high price of corn, and would decrease with a low price of corn; corn being the staple of Norfolk.

To what extent do you consider those prices are themselves influenced by the amount of country bank paper in circulation, or the amount of bank of England paper?—I certainly consider them to be influenced by two fluctuating quantities, namely, the quantity of the commodity to be sold, and the quantity of that which passes for money to buy it with.

Do not you think the amount of country bank paper is influenced by the amount of bank of England paper in circulation?—Through the medium of prices only.

Supposing an issue of bank of England paper to take place, not through the medium of the discount of good bills, but in consequence of advances made by the bank to the government, do not you think the prices of articles would be affected by an issue of bank of England paper on account of such advances to government, as the bank notes would not be returnable to the bank in exchange for coin?—I do.

Do you think the facilities of issuing country bank paper, would be increased by that issue of bank of England paper?—I imagine no banker ever did or can issue any paper whatsoever, but for something of a greater, or at least equal amount, previously lodged with him; the country banker never refuses any amount of his own notes to the person who has the money in his hands, therefore his limit is merely the demand for his notes, for the transfer of goods on sale within his district.

Do you mean that the amount of the paper circulation must always be necessarily limited by the natural demands of commerce?—I do, for this reason, no man keeps country notes by him. If a banker improvidently issues upon loan, or in any other way, notes which are not wanted for the transactions of immediate transfer in his neighbourhood, they come directly to him, or to his banker in London, to be paid. I mean, for example, if my bank were to issue on loan, to whomsoever should ask for them, £. 100,000 in our notes to-morrow, I greatly doubt if, by to-morrow week, we should thereby have an additional note in circulation.

You think that the issue is controlled in this way, that the party who holds your note has the power of converting it into something which becomes more valuable on account of the improvident issue; that he has the power of converting it into bank of England paper?—He has the power of coming immediately on the issuing banker to pay it in bank of England notes, or to place it to account.

Hudson Gurney,
Esq.
(as March)
50.

You think the natural and efficient check upon the issues of country bank paper is its convertibility into bank of England paper at the will of the holder?—Certainly

so. Supposing a positive obligation were imposed on the bank to resume cash payments at the expiration of two years from the present date, and that subsequently to the resumption of cash payments the bank of England should be allowed to continue the issue of one and two pound notes, and that country banks should be also allowed to continue the issue of one and two pound notes not convertible into coin, but convertible into bank of England notes as at present, should you entertain any apprehension of the effect of that obligation on the bank, with reference to the banking establishment with which you are connected?—What we receive, that we must pay: it would be perfectly indifferent to us, as Norwich bankers, what were made the circulating medium of the country; but I believe that in such case there would be a probability of our occasionally making considerable drains on the bank of England for gold, even though our customers should have no right to call upon us for it, in the first instance; our calls for gold have always been in consequence of great alarm, and a great desire among persons to hoard guineas. We never have issued any one pound notes at Norwich at any period whatever; our lowest notes have been five pounds.

Of what is the circulation of Norwich, and the county of Norfolk, generally composed?—None of the principal Norwich banks have ever issued any notes lower than five pounds; consequently the circulation of Norwich, and the district immediately around it, is of the five pound and ten pound of the bankers, and one pound notes of the bank of England; but the bankers in the other towns of Norfolk have issued one pound notes of their own, and therefore I imagine that in their districts the circulation almost entirely consists of the notes of the country bankers.

Does the bank of England, by the one and two pound notes, supply the circulation in Norwich, for the purpose of discharging small debts and retail trade generally?—It does.

Do you think that in the event of the resumption of cash payments, there would be any marked preference shown for coin, as compared with bank of England or country bank paper, or that the inhabitants of those districts with which you are concerned would be satisfied with a paper circulation, to which they have been habituated since the bank restriction?—I am not able to answer the question with any certainty, but I am inclined to think that there would be a considerable preference for coin to bank of England paper, and probably to country bank paper; I make the distinction, because of the impression which people have of bank of England notes being more often forged.

Do you think a preference would be shown on any other ground than that the coin would be a security against being imposed upon by forgery, which the bank note would not?—In times quite free from alarm, I conceive not; but of the degree of influence of alarm I cannot speak.

Have you any experience of the effect of a demand for gold at the period that the last issue of gold coinage took place?—I never saw a sovereign in circulation, and therefore I can say nothing to it; I believe some very few were sent down to our bank as specimens of the new coinage.

Was there any other gold coin in circulation in Norfolk at that time?—Guineas of late years I have never seen in circulation; but under the feeling of losing by light guineas, I believe some hoards of guineas were brought to our bank, but to no great amount.

Supposing, in order to enable them to resume cash payments, the bank were to make a further reduction in their issues, to the extent of two or three millions in the course of eight or nine months, what do you think would be the effect of such reduction, with reference to the interest of the bank with which you are connected, and the manufacturing and commercial interests in that part of the country generally?—I do not conceive that it would make any specific pressure upon the bank with which I am connected; but I do consider that it would be extremely detrimental to the country.

Have the goodness to explain in what way you consider it would operate prejudicially to the country?—I consider that the very utmost extent which can be given to the amount of country bankers paper circulating in Great Britain is five-and-twenty millions; the present amount of bank of England notes is, I believe, five-and-twenty millions; the revenue to be collected from the subject is fifty-three millions, by

the last report. Under the bank restriction, the abstraction of so many bank notes from the circulation, is the annihilation of so much that passes for money. Now with such a revenue to be collected, with such a debt, and consequent taxation to support, with such an amount of transaction in the internal commerce of the realm, it does appear to me that it is impossible that it can be carried on with a much less amount of currency than that aggregate, or that the existing amount of what is considered legal tender, could, without extreme peril, be much reduced.

Do you think the amount of the revenue to be collected is necessarily connected with, and must determine the amount of bank paper which ought to be in circulation?—I consider the amount of revenue to be collected must necessarily increase the prices of all things, and that with that increase of prices, some increase of currency is of course required.

In 1810, the revenue collected, including the loan, was seventy-five millions, and the bank of England paper, at that time, was twenty millions, as from the last answer it appears that the amount of revenue was fifty-three millions, why do you infer that any reduction below twenty-five millions is impossible, without great embarrassment?—I should suspect that there must, some how or other, have been some other paper at that time about, answering more or less the same purpose as bank of England notes.

On what ground do you calculate the present amount of country bank paper, not to exceed twenty-five millions?—From the circulation of the bank in which I am a partner, from the returns of the other banks connected with it, and from the best information which I am able to obtain of the circulation of other Norfolk bankers, I believe that there is not a greater amount circulating in Norfolk than six hundred and fifty thousand pounds, taking them all together; but I think I should be quite safe in stating it under £. 700,000.

Why do you infer, because £. 700,000 is sufficient for the circulation of the county of Norfolk, that the circulation of the rest of England does not exceed twenty-four millions?—Simply as calculating very roughly, from the comparative extent of the county of Norfolk, and the probable comparative extent of its traffickings with those of other counties.

Do the Norwich bank ever make any advances on discount, at a less rate than five per cent?—Our discounts in the county are so exceedingly small, as hardly to amount to any thing; our business is receiving what may be called the surplus capital of the county of Norfolk, deposited with us, chiefly in small sums, on running accounts; almost all which we employ in London, in the discount of commercial bills.

Do you make advances in the country, in any other way but discount?—It is not our system ever to make permanent advances. To a person ordinarily in the habit of keeping money in our hands, and desiring an advance for a limited time, we generally afford the accommodation.

You were understood to say that you consider the increase or diminution of issue of your bank to depend principally upon the price of the staple commodity of the country, namely, corn?—I should think that it did.

Would you think it safe, in case of the resumption of cash payments by the bank, to keep up the circulation of the country bank notes to the same amount that they now are?—The amount of our circulation, as compared to our deposits, is so small, that it would not at all enter into our calculation either the one way or the other.

Supposing the reduction of three millions of bank of England paper, accompanied with a simultaneous reduction in country bank paper to a like amount, making in the whole a reduction in the paper currency of six millions; supposing that to bring down the market price of gold at or below the mint price, and gold to be coined at the mint to the amount of six millions, would not such an operation restore the currency of the country to the same aggregate amount at which it might have stood previous to such reduction of paper?—Of course, if six millions of paper were withdrawn, and six millions of gold were put in the place of it, the nominal amount must be the same.

Would not such an operation remove the objection which you feel to a reduction of the paper currency of the country?—If you remove with one hand, and fill with the other, of course, the aggregate remaining the same, the fear of that aggregate being made less, ceases.

Have you known any great and sudden demand for guineas?—In the years 1793 and 1797, certainly. I think, as far as my recollection serves, that in both those years our house paid away about 150,000 guineas in less than a week, not one of

*Hudson Gurney,
Esq.
(12 March.)*

Hudson Gurney,
Esq.
(14 March.)

them intended to be put into immediate circulation. I conceive that if any considerable ruffie did take place in the county of Norfolk and the adjacent counties, we should hardly require less than £, 500,000 at any time, very suddenly.

Has any measure suggested itself to you likely to prevent the inconvenience of those sudden runs?—All the balances in our hands are payable on demand; I therefore see no other means than immediately paying that which is demanded.

Does the inconvenience you have stated apply exclusively to a state of cash payments?—Certainly not.

Has any thing of the kind happened since the restriction on the bank?—With regard to the Norwich bank, no; with regard to most of the other banks connected with it, yes.

Was the payment made in consequence of the run, in gold, or in bank notes?—In bank notes, of course.

Did the public appear to be perfectly satisfied with that payment?—The public has appeared to be perfectly satisfied with that payment of late years; nothing could exceed the difficulty we had in making them take bank notes immediately after 1797.

If the public had been dissatisfied with bank notes, could they have got any thing else?—Certainly not.

Mercurii, 24^a die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

THOMAS SMITH, ESQUIRE,

Called in; and Examined.

Thomas Smith,
Esq.
(14 March.)

HAVE the goodness to state to the Committee, whether you are engaged in any line of business?—My occupation is that of an accountant: I have been engaged in mercantile business for the greatest part of my life; I conducted for many years, the mercantile part of the business of a respectable house in the city in the South American trade, for many years I was engaged in a bank in Scotland.

Supposing that the bank were compelled to resume cash payments at the expiration of two years from the present period, and that it was understood, that obligation was intended to be imperative; state to the Committee what, in your opinion, would be the effect of such a measure upon the commercial and manufacturing interests of the country?—I have no doubt the measure would have a very bad effect upon the country; as long as the gold coins remain issued at the present rate of the mint, I conceive it perfectly impossible for the bank to resume cash payments.

State why you think it impossible, and what you conceive the effect would be, of an attempt to restore them?—I conceive it impossible; because the mint price of gold in this country is lower than the price of gold in the foreign markets, or in any other mint of Europe. The par of exchange with France, before the year 1785, was always understood to be 24 livres, at that time a mark of gold was coined in France into 30 louis d'ors; a mark of gold is 8 ounces, the difference between the English and French weight is as one to 63; the louis d'or passed in France, according to the money of account of the country, for 24 livres at that period; the French government ordered 32 louis d'ors to be coined out of the same quantity of gold that 30 were before the consequence of that operation. I beg leave to state, in the former case, the louis d'or brought over to this country, when only 30 were coined out of the mark, was worth 20 s. 6 d. in English money; the English guinea carried to France, commanded 24 livres 13 sous; after the alteration, the louis d'or brought over to this country only commanded 19 s. 6 d. or 19 s. 7 d. but an English guinea carried to France, passed for 25 livres 6 sous, consequently it was an advantage to carry the English guinea to France, as long as the par of exchange did not arise above 254; and therefore if the bank were obliged to give guineas for their notes, and those guineas were still issued at the rate of £3. 17s. 10 d. per oz. they could not remain in the country; and the strongest proof of that is the case of the sovereigns within the last two years, I believe nearly six millions were coined and issued, and not one of those is to be found in circulation in this country.

Do you think it would be possible for the bank of England to reduce the market price of gold to the mint price, by the reduction in the amount of their notes?—I cannot possibly see any connection between the amount of bank notes in circulation, and the price of gold; I know that it has been asserted repeatedly, but no proof of it has ever been given: I beg leave to refer the Committee to Mr. Bosc's speeches in 1810, where he gives tables to show the contrary: I beg to present to the Committee a table I drew up in 1816, which I attached to a letter I took the liberty of addressing to the Earl of Liverpool upon the subject; by that table, it appears that in January 1814, the amount of Bank of England notes in circulation was £.25,500,000; at that time the price of gold in bullion was *gl. 8s.*; of doubletons, *gl. 10s.* the exchange with France being only 21 francs 20 cents; after the peace that summer, the demand for gold to the continent ceased, and it fell rapidly, until Buonaparte's return from Elba in March 1815, when it immediately rose to *gl. 7s.* and *gl. 6s.*; after his overthrow the price fell again, and in December 1815 the price of gold was *gl. 2s.*; the number of bank notes in circulation was while £.100,000 of that which it was in January 1814, when the price of gold was *gl. 8s.*

Thomas Stoth,
Rep.
(24 March)

[The Paper was delivered in, and read; as follows.]

A TABLE of the Average Amount of BANK OF ENGLAND NOTES in Circulation, in each Month of the Years 1814 and 1815; and of the Price of Gold Bullion and Doubletons, and of the Rate of Exchange with Paris, for the same periods.

Average Amount of BANK NOTES in Circulation.			Price of Gold Bullion.			Price of Doubletons.			Exchange with Paris.	
£			s. d. c.			£. s. d.			fr. c.	
1814:	January	- -	25,500,000	5	8	0	5	10	0	} 21 20
	February	- -	24,000,000	5	8	0	5	10	0	
	March	- -	24,000,000	5	5	0	5	10	0	
	April	- -	25,500,000	5	5	0	5	10	0	} 19 50
	May	- -	25,500,000	5	3	0	5	18	0	
	June	- -	26,100,000	4	10	0	4	10	0	
	July	- -	26,700,000	4	11	6	4	5	0	} 23 —
	August	- -	26,100,000	4	4	0	4	5	0	
	September	- -	26,100,000	4	6	0	4	3	6	
	October	- -	26,700,000	4	6	0	4	4	6	
	November	- -	27,000,000	4	8	6	4	8	0	} 21 —
	December	- -	27,000,000	4	6	6	4	5	0	
1815:	January	- -	27,000,000	4	6	6	4	4	6	} 22 50
	February	- -	27,000,000	4	9	0	4	6	0	
	March	- -	26,000,000	4	9	0	4	5	6	} 20 —
	April	- -	27,000,000	5	7	0	5	8	0	
	May	- -	26,700,000	5	6	0	5	1	0	} 19 —
	June	- -	26,000,000	5	5	0	4	10	6	
	July	- -	27,000,000	4	11	0	4	6	0	} 21 —
	August	- -	27,000,000	4	9	0	4	4	0	
	September	- -	26,000,000	4	8	0	4	3	0	} 22 50
	October	- -	26,000,000	4	3	0	3	10	0	
	November	- -	26,000,000	4	3	0	3	10	0	} 23 50
	December	- -	26,000,000	4	8	0	3	17	0	

Do you not think that in calculating the effect which the amount of bank of England notes may have upon the price of gold, you ought to take into the account, first, the proportion which these bank of England notes bear to the internal demand for them, on account of the commercial transactions and internal traffick of the country; and secondly, the amount of country bank paper in circulation at the same time?—If that was done, I can see no criterion or any possible mode of stating, whether the high price of gold was owing to the great issue of bank notes, or to any other circumstance.

Can an inference be drawn, from the paper that you presented, that the amount of bank notes in circulation does not affect the price of gold, unless the price of country paper is taken into the account?—My opinion is so contrary to that statement, and the arguments, I have used in two works, which I beg leave to present to the Committee upon it, that I cannot bring myself to consider, that the number of bank notes in circulation can possibly have any effect upon the price of gold, except if there were a greater issue it would lower the price of gold instead of raising it;

Thomas Smith,
Esq.

(24 March.)

and as a further proof, that the market price of gold bullion being above the mint price, is no new occurrence, nor owing to the influence of bank notes, I beg leave to refer the Committee to a small pamphlet, which I give in, being a declaration on the subject by a Thomas Vauld, goldsmith, in 1643, above 50 years before bank notes were known.

Your opinion is, that a reduction in the amount of bank of England notes would not only produce great embarrassment and distress, but that it would have no effect whatever upon the price of gold?—Most assuredly.

To whatever extent that reduction was carried?—I rather think it would raise the price of gold, instead of lowering it.

What effect do you think that would have upon the exchange?—The effect upon the exchange must be very remote; an over issue of bank notes, if such a thing is possible, according to the mode in which they are issued, always increases the trade of the country, because it gives confidence to the manufacturer to work, and it gives confidence to the foreign merchant to export goods; the consequence of which would be to make the exchange in favour of the country, and bring gold into it, instead of taking it out of it.

In your opinion, would not one of the inconveniences of a reduction in bank of England paper, to the extent of three millions, be a necessary reduction of country bank paper?—I rather think it would tend to increase country bank paper; but I conceive that a reduction of three millions in the bank paper would have more effect upon the situation of the trade of London than in any other quarter. The bank of England issue their notes either upon government securities lodged with them, on advances to government upon taxes which have been imposed by parliament, and are to be collected, or upon bills of exchange at two months date. If they mean to curtail the issues of their notes, the first mode in which they can do that is, by curtailing the discounts, because the notes given out upon bills of exchange come back to them much sooner than those given out upon either government securities, or an advance on taxes. In the year 1797, at the time of the first restriction, the bank fell into that mistake in the course of six weeks, if my recollection serves me right, they restricted their discounts three millions; they did five hundred thousand pounds a week less than they had been in the habit of doing; the consequence was, that the mercantile part of the city of London was thrown into the utmost confusion and distress.

Supposing that by the repayment of six millions of the debt due by the government to the bank, the bank were enabled to effect a reduction of their issues to the amount of £3,000,000, but at the same time to extend the accommodation which they give the merchants, in the way of discount, to the amount of £3,000,000, would that inconvenience which you apprehend would result to the trade of the city of London from the reduction of the amount of issues of the bank, take place?—If the issue of the bank of England was in consequence of those £5,000,000 being paid, curtailed £3,000,000, but the accommodation to the city of London continued, the city of London certainly would not suffer, but then the distant parts of the country would; there is a large supply of notes sent down to some of the interior counties, where the bankers do not issue notes of their own; the supply for those must be raised by bills of exchange, which they send up and discount in London, and unless that accommodation was continued to them, as well as to the town people, they would feel the want of the notes for circulation.

Do you conceive a reduction in the issues would ultimately produce any effect upon the remote districts, by a reduction of the amount of country bank paper, or that the embarrassment would for a considerable period be confined to London alone?—I conceive that such a reduction of bank notes would naturally increase the amount of country bank paper, because the public requiring a circulating medium, if they could not get bank of England notes, would take country bank notes.

Is it your opinion, that a law should be passed, enabling the bank to continue its issues as at present, without any prospect of an ultimate resumption of cash payments, in order to remove the uncertainty that has existed of late years, with respect to the period at which the resumption should take place?—It is my opinion, that one of two things is requisite to be done; the restriction must either be continued for ever, or the quantity of gold in a guinea lessened, or the denomination of it raised. I took the liberty of addressing a letter to the Earl of Liverpool in October last, in that I stated, that in order to do away with the dreadful noise of forging upon the bank, the only effectual mode, that then appeared to me, was to retire

retire the one and two pound notes from circulation altogether; and that if the denomination of guineas was raised, or a less quantity of gold put into them, they might very safely take away the one and two pound notes, and supply their place by guineas; there being then no motive or inducement to export them out of the country, they would remain in it. For a proof of the justness of my argument, I beg leave to refer to the silver coinage: I believe no silver coinage for these hundred years has remained so long in this country as the present has done, and the very thing I have taken the liberty of recommending, was done with that.

Would you act upon the same principle with respect to the gold coinage, which has been acted upon with respect to the silver, and limit the amount to which it should be a legal tender?—I can see no reason for limiting the amount; if guineas were ordered to pass at 24s. it would be exactly the same thing to every man in the country; they would remain in the country, and supply the place of one and two pound notes, and the bank restriction might be safely withdrawn. I am aware that this doctrine goes against a number of received opinions at present, but I am prepared to show, I think, the correctness of it.

What is the extent to which you would advise the debasement of the gold coin to be carried?—As long as the country remains in peace, I do not think the price of gold will advance much beyond what it is at present; if fresh disturbances should break out on the continent of Europe, it is impossible to say to what extent it may go; for the supply of gold is lessening, and the demand for it appears to be increasing. I conceive that at present, if it was thought proper, instead of a new coinage, merely to advance the denomination of the guinea from 21s. to 24s. it would have the effect completely; and that is only doing what was done when the present price of guineas was fixed; for guineas when first issued by Charles the First, were passed as pounds at 20s. In the reign of King William, they conceived it better to let them find their value in the market; and that continued till the 3d year of George the First, 1717, when a proclamation was issued, ordering them in future to pass only at 21s. although they had been passing previously to that at 21s. 6d.; that was done on the recommendation of Sir Isaac Newton. This was confirmed in 1728, and has continued to ever since. At that period, had the nomination been raised above 21s. 6d. instead of lowered under it, this country would not have suffered so much by coining gold and allowing it to go out of the country; of 70 millions coined during the present reign, I do not think 10 millions are in it.

Do you assume that 24s. as the value at which the guinea might be issued, because that is at present the value of the guinea when estimated in bank notes?—Assuming 24s. is higher than the present value of the gold in the guinea. I consider that to be considerably more than the bullion value of the guinea. The proposal I took the liberty of addressing to the Earl of Liverpool was, that four guineas should be coined out of an ounce of gold, that would make the price of gold at the mint 4*l.* 4*s.* which I then thought sufficient to keep it in the country; it has since come so near that, that I should be afraid any change in the rate of exchange might go beyond it and carry them out of the country. I hope the Committee will excuse my objecting to the form of the question, as appreciating the value of bank notes. I beg leave to state, that it is my decided opinion, and that I have long supported it, that there is an essential difference between gold in bullion and gold in coin; and that I do not hesitate to say, that all the confusion, and ambiguities, and difficulties that have occurred upon this question, arise solely from its being conceived that gold bullion has any thing to do with value whatever, and that gold bullion and gold coin are the same.

In your view of the subject, what security would there be, that even during peace, the value of the guinea might not be more than 24*s.* supposing there should be a great demand for gold on account of attempts made by several countries on the continent, simultaneously to resume cash payments?—I do not see that any of the countries on the continent can go much further in resuming cash payments than they do at present; their circulation depends very little upon paper indeed, and it is their having cash payments which has kept up the price of gold upon continent, in spite of all the quantities that have gone from this country for the last twenty years. As long as the rate of exchange keeps nearly at par, the demand for gold to the continent never will be so great as to take the guineas out of circulation, because at 24*s.* each guinea, the price of gold would come in bullion to 4*l.* 8*s.* or 9*s.*

What quantity of bullion do you conceive it might be necessary for the bank to have, to be enabled to resume cash payments on your system, and what time would you allow them to make the necessary preparations?—I calculated at that time, that gold

Thomas St. J.
Esq.
(14 March.

Thomas Smith,
Esq.
(14 March.)

gold equivalent to the one and two pound notes, would be quite sufficient for the circulation of the country, and consequently for the bank to be provided with. If guineas were issued, as I have stated, there would be no demand upon the bank for any thing but fair, proper, and legitimate circulation in the country; at present the demand is not for the service of the public, but for people, who having got the foreign exchanges into their hands, find it more advantageous to send gold, if they can get it at the mint price, than to send either bills of exchange or goods; and I must confess, that I cannot see on what principle any accommodation to them should be made the subject of your deliberations. As to the time the bank would require to make the necessary preparations, I am not competent to decide; but it would depend a good deal upon the price given for the gold, which ought not to be so much as it is now at; as I am of opinion that government should charge a seigniorage on gold coin as well as silver.

Supposing a state of things, which you do not think likely to occur, that the market price of gold was ever reduced to the mint price, the same reasoning would in that case apply, would it not; and in that case you would not think that the amount of gold required for the purposes of circulation, would exceed the amount of one and two pound notes in circulation at present?—Without doubt; but I cannot see it possible, for less probable, that such a state of things should take place; because the exchange with France has never permanently been above what it would be required to be, to cause that effect; and till the exchange with France rises to 16 livres to the pound sterling, that effect cannot take place.

From July 1816 to July 1817, the price of gold did never, at any period whatever, exceed 3*l*. 19*s*. having maintained the price of 3*l*. 18*s*. 6*d*. because the bank were then giving that price; and if they had not given that price, it appears that gold would have fallen below that sum: Supposing you had been called upon in July 1816, to offer a plan with respect to the depreciation of the gold coin, what would you have then proposed with respect to the value at which the guinea should be issued?—In June 1816, I took the liberty of addressing a letter, which I published, to the Earl of Liverpool, on the proposed coinage, and that will give the best answer in my power. I have said, in one paragraph, "if therefore His Majesty's ministers mean to do the country a real service, they should take this opportunity of altering the mint price of gold, and thereby put the country on an equal footing with its neighbours in regard to gold coin." I did not then state any particular alteration; but the one which I afterwards stated, was certainly the one I conceived at that time, to make the gold in a guinea exactly a quarter of an ounce.

If during a time of peace for nearly one year, gold never exceeded in price 3*l*. 19*s*. what are your reasons for thinking that, provided a state of peace continues, gold may not return to that price to which it was lowered in the years 1816 and 1817?—At that time considerable quantities were brought into this country, in the expectation that the restriction of the bank would be taken off, and that the bank would be obliged to buy gold at any price the holders of it chose to ask for it; it not only was brought into this country, but a considerable quantity was brought to Calcutta, ready to send over whenever such a step took place; and to what price gold would then have arisen, it is impossible to say; but those parties finding themselves disappointed, let their gold go at the price the bank chose to give for it; since that, gold never has been so low; and when the exchanges last summer were considerably above twenty-five; I think 25*l*. 25*s*. the price of gold, instead of falling to the mint price, as might have been expected, still kept about 4*l*. which is the rate that I conceive when the exchange is at par, is the value of gold in this country now.

Supposing the same state of things to occur again, and that there was a very strong impression upon the public mind, that the bank would be compelled to resume cash payments, do you think the same effects would follow, that gold would flow into this country to such an extent as to reduce the price to the price at which it was in 1816 and 1817, in consequence of that operation?—It is possible that gold might come to a certain extent, no doubt; but were that gold coined by the bank, and issued again in guineas, it would immediately go out of the country; the gold they bought in 1816, was made into sovereigns, and as soon as the sovereigns were made, and got out of the bank, before they were cold, they were in the crucible again in Holland, to make ducats.

You account for the low price of gold in 1816 and 1817 by this circumstance, that vast quantities of gold were brought into this country; that the persons who brought

brought them, found that the bank did not intend to resume cash payments, and that they had brought their gold to a bad market, and sold it for what they could get?—Yes.

Ought not the price of gold at Paris then to have been increased, in consequence of that quantity been withdrawn?—I am not aware that the whole of that came from Paris, or that it was necessary to raise the price of it, if it depended upon the rates of exchange; but upon that point I am not exactly prepared to state an opinion, for the circumstances are not altogether clear in my memory; but those parties by no means made a bad market of their gold, for they sold it at 3*l.* 18*s.* 6*d.* and 3*l.* 19*s.* and almost immediately got it back again recoined at 3*l.* 17*s.* 10½*d.* and sent it out of the country.

In that state of things, would you have advised the guinea to be issued at 24*s.*?—Most assuredly; although the guinea is issued at a higher rate than the value of gold in it, it can do no particular harm to the country; we have had a silver coinage passing in this country, when the pieces were not worth one half of their nominal value; we have had bank tokens and local tokens, still more, and none of them did any harm in the country; as long as they passed and repassed at a certain rate, they answered the purpose they were intended for, as a medium of circulation.

Supposing the price of gold to be 3*l.* 18*s.* when the guinea is issued at 24*s.* what security would there be against parties who could purchase that gold at 3*l.* 18*s.* coining it into guineas at 4*l.* 8*s.*?—There can be nothing to prevent it, certainly; and that is one of the inconveniences attending the use of metals as mediums of circulation, an inconvenience which cannot be avoided.

Then the conclusion you come to must be, that, upon the whole, it would be more politic to suspend cash payments for an indefinite period?—Most assuredly; as long as the bank of England notes are issued in the manner they are at present, I am decidedly of opinion there can be no over issue of them, and they answer all the purposes of a circulating medium at a cheap rate, instead of having a very expensive article for the purpose.

When you recommended the issue of the gold coin at a greater value than it at present bears, you recommended it as an advantage less preferable to the advantage that would be received from an indefinite suspension of cash payments?—Most assuredly; I recommended it in consequence of the great noise that was making in the country, as to forgeries on the bank, and as to bank notes: but I had committed myself long before that, in supporting the issue of bank notes in the country; I have a work here, which I never published, which I intended to have addressed to the present Chancellor of the Exchequer, in the year 1815, showing the impossibility of the country resuming cash payments altogether, because the quantity of gold required for it, it would be impossible to get; and if it could be got, I did not see how the country could pay for it.

You think also, that the greater the issue of bank notes, provided they are issued upon government securities, or the discount of good bills, the greater the probability that the bank will be enabled at some time or other to resume cash payments?—I am decidedly of opinion, that the bank never can safely resume cash payments: until the mint price of gold is raised.

Do you think an increase will be more likely to lead to the resumption, than a decrease?—It may; but I state that, in opposition to the assertion that the increase of bank notes would raise the price of gold.

You think the price of gold is more likely to be lowered by an increase of bank notes, than by a decrease?—I do.

Have you heard and considered of a plan, which is generally known by the name of Mr. Ricardo's plan, for the resumption of cash payments?—I wrote a reply to it a few weeks after it was published, which is contained in the volume of pamphlets I take the liberty of presenting to the Committee; there is a reply to the Edinburgh Review, who criticised the first work I published in 1808; there is a reply to Mr. Ricardo, and two letters to the Earl of Liverpool on the coinage.

Do you think the plan of Mr. Ricardo preferable to the one for the resumption of cash payments, in the sense in which cash payments are ordinarily used?—I conceive Mr. Ricardo's plan to be perfectly illegal, and to be impossible to be put in practice without risking the destruction of the bank, and the ruin of the country; as to its illegality, government may order the bank to pay in the current coin of the realm, but they can certainly not order them to pay in bullion, any more than they can order them to pay in any article of merchandise. But I beg leave to state, before I go further, that it is my decided opinion, that gold bullion has nothing whatever

Thomas Smith,
Esq.

(24 March.)

Thomas Smith,

Esq.

(14 March)

to do with the standard of value in this, or any other country; that gold bullion is an article of merchandise, an article of commerce, which rises and falls according to the demand and supply, like every other article of commerce, and therefore it is impossible that it can be the standard of value; it is said that gold bullion varies less than any other article, and yet there is a recent publication, by a worthy northern baronet, wherein he recommends silver as a standard of value, because, within these last ten years, silver had varied only 44 per cent, and gold had varied 50; how an article which varies in that way can be possibly made a standard of value, I do not conceive.

Previously to the year 1797, what, in your opinion, was the standard of value in this country?—I conceive the same standard then existed that does now, and has existed, for 800 years in this country; that is, 300 years before gold was made a coin, or was known in the country.

What is that?—I must crave indulgence for a few minutes, in going into that: I conceive that value is itself an imaginary quality; there is no such thing as value in nature; it is merely an adventitious property attached to matter in consequence of barter; or the exchange of one article for another: in doing so, it is absolutely necessary some point of comparison should be assumed; that is allowed by all the writers who have written upon the other side of the question, the *Edinburgh Review*, the Earl of Lauderdale and others; there therefore exists, and has existed in every country, an artificial point of comparison of the value of all articles. I do not wish to go into a metaphysical discussion, but I beg to state, that the term, pound sterling, though it is difficult to explain, yet it is perfectly apparent to every body who hears it; the moment that the term, pound sterling, is mentioned, every one knows what it means: I take the liberty of stating to the Committee, that no gentlemen present, and no man in the country, will ever, when he hears the term, pound sterling, made use of, think of inquiring what the price of gold is, before he determines what the value of it is. In making exchanges of commodities, at first mankind exchanged the articles themselves, they gave one article for another; but even when they did so, they were obliged to have a point of comparison. When captain Cook went to the South Seas; the people took axes, because they conceived that every axe was of the same value, and therefore every article they had to sell was computed by axes, it is worth 2 or 3, or 10 or 20 axes; but they did not expect that axes were to be returned them for it, but some article of the same value to be returned to them: in the same manner Park, my countryman, states, that on the coast of Africa the people made use of a bar of iron, and every thing was referred to the bar of iron, because they conceived it was always of the same value; a slave was worth 150 bars, a gallon of rum was worth 3, 4, or 5 bars, and in this manner they made their arrangements, but there were no actual bars delivered; and if it happened, that bars of iron really came there; the strange inconsistency occurred, that the bar of iron was perhaps sold at half a bar, if it were plenty, or a bar and a half if it was in scarcity; therefore the term bar of iron, was adopted as an intermediate point of comparison, and as so, it became perfectly fixed and immovable. In this country, as I have already said, the pound sterling has answered that purpose for 800 years; and when gold is made use of, it is only when it is made into coins, and when it is so, it is always invariably directed by government to pass for a certain proportion of the pound sterling. If you examine all the acts of parliament, you find no such thing as the value of gold bullion; the present rate may be a convincing proof of that; if the pound sterling, as has been stated in many productions, is merely a term for a certain quantity of gold, how came that quantity to be undefined; there is not a weight in this country to give any man the exact quantity of standard gold a one pound note represents. I have been attacked by the *Edinburgh Review* very severely, ten years ago, for these opinions; and I took the liberty of stating to them, that in many other points an imaginary standard was used, as well as in value, weight and measure, although they are actual attributes of nature, are still judged of in the same manner; there is in nature no exact standard of value.

On the whole, the Committee understand you to be of opinion, that supposing the Legislature determined it was advisable to resume cash payments, that cash payments, made in the way they were previously to the restriction, would be preferable to the adoption of Mr. Ricardo's plan?—Yes: I will confine myself to an answer as to Mr. Ricardo's plan. My objections to it are, that it would be of no service to any set of men in this country, but one: no individual in the country, in want of a circulating medium, would apply to the bank for bullion. The only possible

Flower Bank,
Esq.
(14 March.)

possible case in which bullion would be applied for, would be by people who wanted to send it abroad; consequently, you would leave the bank at the mercy of a set of men, amongst whom there are certainly many most respectable individuals, but there are others who have taken every opportunity of raising fortunes to themselves, without much regard to the mode in which they did it. At the present time, the only advantage of getting bullion in that way would be to those persons who export it, when it suited their purposes to do so. I am afraid of annoying the Committee with so many new ideas, or I should express my belief, that the dread that seems to have taken place, at least with the former Committee, with regard to the low rate or high rate of exchange, was much greater than there was any occasion for. A very high rate of exchange, or a very low one, will never remain permanent, provided the country is in the same sound state it is at present. Nor am I of opinion, that a very high rate of exchange is so much in favour of a country, or a low rate against it, as is generally supposed. The effect of a high rate is to lessen the exports as the profit derived from exporting becomes less; on the contrary, a fall in the exchange encourages exports, in holding out a prospect of greater profit; and this will continue until a more abundant exportation raises the exchange. But if the dealers in bills of exchange (who are now become a distinct class) are to be at all times provided with gold bullion at the present mint price, they will invariably use that privilege whenever it suits them, and thus deprive the country of the advantages to be derived from an increased exportation of manufactures and produce.

Would not the individuals to whom you refer have the same means of drawing out large quantities of gold from the bank, for the purpose of making a profit upon them by exportation abroad, as they would have under Mr. Ricardo's plan, supposing cash payments were resumed, as before 1797?—If the modification in Mr. Ricardo's plan, recommended in a late *Edinburgh Review*, were adopted, it would not: were bullion to be paid only to persons who had a certain sum, one or two thousand pounds, I think they could not have the same advantage in taking out the coin. Then another circumstance would be, that they would be allowed to export that bullion without any let or molestation; whereas, if the bank were to give coin, if they did export those coins, they must do it clandestinely, and must run the risk of having them stopped and seized; consequently, they would expect higher profits than they would otherwise gain.

Has the law, which prevented the exportation of coin, ever been of any efficacy, in your opinion?—It was of that efficacy, that the parties who did export the coin did not do it till they had a considerable profit by it; a half per cent on bullion, I conceive, as they could do it honourably and fairly, would be sufficient to induce them to send it out of the country. There is one modification of Mr. Ricardo's plan, which would make it perfectly safe if the bank were obliged to furnish to the public gold at the price of the day; but if it is to be continued at the mint price, I am still of the opinion that it is against the bank and the country.

How do you consider Mr. Ricardo's principle differs from that on which the bank paid before in principle; did they not promise to pay for their note a certain definite quantity of gold, with a stamp upon it, conveying to the person receiving it the idea of certain value; it is proposed, by Mr. Ricardo, that to the person presenting one or two hundred pounds of bank notes, the bank shall be obliged to return them a certain quantity of gold?—I certainly am of opinion the bank did not enter into any such obligation; the bank gave their notes, not for gold, but for bills of exchange or government securities; when those bills of exchange and government securities are due, the bank notes are returned to them; but if, in the mean time, a foreign merchant got those notes into his hands, and went to the bank and got gold for them, and exported that gold, when the security the bank held became due, there would be no notes against it.

In the beginning of your evidence, you spoke of a mode of repayment from government to the bank which would not require notes to be diminished; explain the different modes of repayment which you conceive government might resort to, and the effect of each, and which, you think, would be the least injurious?—Not being exactly master of the mode in which the transactions between government and the bank are carried on, I may be at a loss; but I conceive that as all the taxes are paid into the bank, and by them to government, it may be possible to write off a certain amount of those against the sum which government owes to the bank.

Would not that mode diminish the amount of outstanding bank notes by those that were so paid in?—It would, certainly; and, upon mature deliberation, I find

I am

Thomas Smith,
Esq.
(24 March.)

I am wrong in this assertion; as I cannot see how government could repay the bank, without taking notes, to the same amount, out of circulation, either directly or indirectly.

You have stated, that if cash payments were to be resumed at the present market price of gold, you would recommend the nominal value of the guinea to be raised to twenty-four shillings; supposing by renewal of war or any other circumstances, the market price of gold should be raised five and twenty per cent upon its present price, would you, in that state of things, recommend a proportionate increase in the nominal value of the guinea, namely, carrying four and twenty shillings to thirty shillings?—Were a state of war likely to continue, it might be advisable; but it is a dubious point, and that is one of the inconveniences to which gold coins are subject.

Juris, 25^o die Martii, 1819.

The Right Honourable ROBERT PEEL, in the Chair.

ALEXANDER BARING, ESQUIRE,
Further Examined.

(For the Evidence of Mr. Baring, taken on this day, see page 196, &c.)

Veneris 30^a die Aprilis 1819.

Right Honourable ROBERT PEEL, in the Chair.

Jeremiah Harman Esquire, again called in; and Examined.

Jeremiah Harman,
Esq.
(30 April.)

IT appears that the exchanges became unfavourable, and the price of gold began to rise about July 1817, and that between 26 July and 25 October in the same year that the treasure in the bank had increased; did that increase arise from purchases made at that time, or in what other manner?—There were no purchases of gold made after July (I mean foreign gold;) the increase referred to was owing to a purchase of bar gold from light English coin, amounting to about £. 340,000, guineas paid into the bank in exchange for bank notes for about £. 700,000, and bank tokens brought in, amounting to about £. 940,000.

Were any purchases of silver made, besides the tokens mentioned by you, and included in the account of treasure, in October?—None between July and October.

Were any purchases, either of gold or silver, made subsequent to the notices issued in September, for the payment of notes issued before the 1st January 1817?—Certainly not for the bank account; and I am pretty sure not for any other.

What was the view with which the bank gave the notices in September 1817, for the payment of the notes before 1 January 1817, the price of gold having risen to 4*l.* 8*s.* 6*d.* on ounce, and the exchange having begun to be unfavourable in the July preceding?—As we had no doubt that the restriction would be taken off in the July following, we conceived that it might give confidence to the public, if we were in some degree to anticipate that measure; and it was obvious, that retaining so large a sum of treasure useless in our coffers, was in itself objectionable; we did hope, moreover, that by some sacrifice which we foresaw, a favourable impression might be made on the exchanges.

Could that impression have been made on the exchanges, otherwise than by the expectation of the gold so issued?—I should think not, unless the knowledge that gold was to be obtained, might, by inspiring confidence, have somewhat of that effect.

It appears, that the average amount of bank notes from July to December 1817, were about £. 1,000,000 higher than the half year preceding, how did that increase arise?—I conceive it may be accounted for, partly by the issue of notes for bullion already explained.

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Are you aware of any other cause?—In October there was a sum of a million advanced on Exchequer Bills.

Jeremiah Harman
Esq.
(20 April.)

What was the scale of discounts by the Bank, between July and December 1817?—In December they were less, by one half, than they were in the July preceding, and positively lower than they ever were since the passing of the Restriction Act.

Do you recollect whether the small amount of issues on discount, arose from a limited discount, or from the circumstance of the Bank having a less control over its issues at that time?—I consider the small demand for discount to be owing to an abundance of money, which made it less necessary for the discounters to come to the Bank.

One of the main impediments to the resumption of cash payments, arises from the advances of the Bank to Government, as the advances were larger in 1817; did not the same objection apply to an issue of coin by the Bank in exchange for all notes issued prior to 1817?—I conceive not; because at that time the Bank was in possession of a much larger amount of treasure, and we were not then aware of the large foreign loans which were still to be negotiated; moreover, the advances to Government are not the only obstacle to cash payments; and it will be found that the amount of our notes decreased progressively after October 1817.

It appears, that in the half year from July to December 1817, the average issues of paper from the Bank were higher than they had been on the average in any half year either before or since; when, therefore, the Bank undertook to pay in cash all their notes dated prior to January 1817, the price of gold at that period being above the market price, and the foreign exchanges below par, did it occur to the Bank that an issue of gold coin, in addition to the then existing paper currency, would have a tendency to depreciate the value of the whole currency, and that the consequence of such an operation would be the exportation of that part of the currency which consisted of gold?—We never considered it in the light of a depreciation of the paper currency; it was very probable that the amount of our notes should be higher at the period alluded to, considering the amount of the advances to Government, and the sum of treasure in our vaults; and we entertained not the smallest doubt, that on the meeting of Parliament, provision would be made to reduce the amount of those advances very considerably.

It appears that on the 5th July 1817, the amount of notes outstanding was £ 25,800,000, and that on the 4th October following, the amount was £ 23,900,000, making a difference of £ 3,100,000; what was the occasion of that increase in the Bank issues?—The cause of the difference pointed out in the question, between the periods mentioned, is to be found chiefly in the state of the Exchequer account. At the time of the dividends, the amount of Bank notes outstanding, which has been previously diminished by payments from the public into the Exchequer, invariably increases. It appears that between the 5th and 15th July 1817, the increase of notes amounted to £ 5,660,000, and that a great portion of this sum remained out to the end of the quarter. To elucidate this fact, it may be right further to state, that the Exchequer balances in possession of the Bank amounted in July to £ 12,110,000; on the 4th October only to £ 4,238,000; between those periods the amount of discounts were lowered nearly one half, and the Government debt was reduced to £ 1,603,000. It cannot be necessary to remind the Committee, that all Bank notes paid into the Exchequer are received by the Bank, and cancelled; Exchequer bills being deposited in lieu thereof; and in proportion as the Exchequer account increases, so Bank notes in circulation appear to diminish.

Sabbati, 1^{re} die Maii, 1819.

Right Honourable ROBERT PEEL in the Chair.

Jeremiah Harman, Esq. again called in; and Examined.

IS the Committee to understand, that the increase of the amount of bank notes outstanding, which appear to have taken place on a comparison between 5 July and 4 October, was occasioned by circumstances connected with the operations of Government, but over which the bank had no control?—Decidedly so.

Jeremiah Harman,
Esq.
(1 May.)

Was not that increase in part occasioned by notes issued in return for gold purchased by the bank, and in payment for tokens brought into the bank, amounting together to

Jewishman,
Esq.
(1 May.)

about two millions?—A part of it, certainly; though I am not prepared to say in what proportion.

When the notice was given in September 1817, was it known at the bank that their affairs were so situated as to render it impossible for them to reduce the amount of their notes in circulation?—It was perfectly well known to the directors at that time that we had not any immediate means of materially reducing the amount of our notes; but we relied implicitly, as I stated yesterday, on a very large reduction of the Government advances soon after the meeting of Parliament.

AT a Court of Directors of The Bank of England, held on Thursday the 25th March 1819:

THE COURT having taken into serious consideration the following Questions, proposed by the Secret Committee of the House of Commons; viz.

1. TO what further period, in the opinion of the Bank, ought the Restriction on Cash Payments to be continued?
2. HAVE the bank any suggestions to offer with respect to any assistance that can be afforded to the bank, by legislative enactment or otherwise, for facilitating their resumption of cash payments?—

RESOLVED,

THAT the Restriction on Cash Payments was altogether a measure of state-necessity; and that the object for inquiry now is presumed to be, not, when the bank will be prepared to resume payments in specie? but, whether the public will be able to bear that reduction of the circulating medium, which a speedy adoption of the measure would render indispensable.

THAT previous to the war, the amount of specie in circulation was variously estimated, even by persons best qualified from their situations to obtain information; it seems however to be agreed that it was about 30 millions; but, whatever the amount, the whole has been exported.

THAT this Court has never ceased to be duly impressed with the great additional responsibility which devolved upon the bank on the passing the restriction act, and the directors have uniformly endeavoured conscientiously to discharge a most delicate and important duty.

THAT considerations of profit to the bank have never influenced the directors in the issues of their paper, but they have invariably endeavoured as much as possible to limit the amount; and when all circumstances are considered, it may justly admit of a question, whether, instead of complaining of excess, there is not rather ground for surprise that the amount has been so circumscribed.

THAT in the course of the years 1816 and 1817, a favourable turn in the exchanges enabled the bank to collect a sum of treasure, which in addition to what was already in its coffers, would have been sufficient to meet the opening, if the hopes which were then entertained had been realised; more especially as the loans to government of six millions and three millions were in course of payment, and the greater part of the other advances on exchequer bills became due before the 5th July 1818, the day on which the restriction bill was to have expired; that the system of Finance which it has been thought proper to adopt, has not favoured the subsequent liquidation of these advances, in a no degree attributable to the bank.

THAT this Court believing there was a positive evil in keeping out of the general circulation the whole of the large amount of gold which had been collected, determined in some degree to anticipate the opening, and accordingly in April 1817, advertised the payment of all notes under £ 5. dated prior to January 1816, and subsequently in the month of September further advertised the payment of notes of every description dated prior to January 1817, being to the amount of many millions.

THAT the Public instead of availing themselves of the opportunity thus afforded of obtaining gold for notes, brought their guineas into the bank; and this continued

to be the case till the issue of the sovereigns, and half sovereigns, for which there was an immediate demand, though at first only as objects of curiosity.

THAT thus for a short season there appeared every reason to hope that the resumption of cash payments, an event to which all had looked with more or less anxiety, might have taken place imperceptibly; but this flattering prospect was of short duration; the extensive financial operations on the Continent, in which British subjects had taken so large a share, caused the exchanges, which perhaps had been forced above their natural level, to fall so greatly below par, as to make gold, more especially the new coin, a very advantageous remittance; and thus the bank has been drained of a large portion of what had been accumulated.

THAT, with the experience already possessed, and after the most mature deliberation, this Court is of opinion, that, in order to the re-establishment of a metallic currency, it will be necessary that the bank should not only be provided with a sufficient fund to meet the demands which may be made upon it, with reference to the amount of its notes in circulation, but a supply must also be obtained, nearly if not fully equal to the amount of specie in the country previous to the year 1797.

THAT it then becomes a question, from what sources, and in how short a space of time, such a sum in gold is likely to be obtained.

THAT it appears certain, that little is to be expected at present from South America, and therefore it is to the continent of Europe the country must chiefly look for supplies.

THAT in deliberating on this most important subject, this Court assumes it to be an incontrovertible proposition, that every attempt to bring in and retain the precious metals, while the exchanges are below par, must be unavailing.

THAT then only *such* a country be said to be growing rich in gold and silver, when it receives them as the balance of exported goods actually paid for.

THAT although it must be obvious, that the returns from the custom house looks not so sure criterion of the productiveness of an export trade, because adventurous persons often export produce and manufactures for which they receive little or no return; still this Court is not disposed to take an unfavourable view of the state of our foreign commerce: it must nevertheless be acknowledged, judging from the exchanges, that whatever the balance of trade may be, the balance of payments is greatly against the country; and in the opinion of this Court, there is not much encouragement to expect any material amelioration in the exchanges for the present; nor would a sudden improvement, to whatever extent, decide the question, as it is on a gradual and permanent rise only that full reliance ought to be placed.

THAT with respect to the continental finance operations already alluded to, this Court does not consider their injurious effects to be bounded by the investments which may have already been made for account of British subjects; but it is apprehended that those operations, during their continuance, will contribute to keep the foreign exchanges in an unsettled state.

THAT this Court cannot refrain from adverting to an opinion, strongly insisted on by some, that the bank has only to reduce its issues to obtain a favourable turn in the exchanges, and a consequent influx of the precious metals; the Court conceives it to be its duty to declare, that it is unable to discover any solid foundation for such a statement.

THAT gold is not superabundant on the Continent is fully ascertained, and it follows, that a new competitor going into the market for an enormous sum, must, by increasing the demand upon a limited supply, materially enhance the price, while the quantity would remain the same. That even if the gold could be procured, the bank could only pay for it with its notes.

THAT it is contended by those who recommend a reduction of the paper currency, that it will have the effect of lowering prices, and that foreigners will thereby be induced to take more of the produce and manufactures of the country,

THAT the Court conceives this expectation to be founded in error, inasmuch as a low rate of exchange has always been considered most favourable to exports; but that even should a temporary effect be produced, it would probably be only a disadvantageous

disadvantageous anticipation of the regular consumption, and result in a serious reaction upon the trade of the country.

THAT this Court can confidently assert, that the bank has never pursued its own advantage at the expense of the public interest; and whenever Parliament in its wisdom shall deem it to be most conducive to the good of the country to take off the restriction, this Court will be prepared to meet the exigency with every reasonable sacrifice; but to expect the bank to issue gold at £ 3. 17 s. 10½ d. per oz. however high the price in the market may be, would be to impose a heavy loss upon the corporation, without rendering any adequate benefit to the public.

THAT this Court having thus deliberately expressed its sentiments, feels compelled to decline giving any precise answer to the first question proposed by the Committee, deeply impressed as the directors are, that the resumption of cash payments, with safety to the country, must depend upon circumstances, which it is impossible for them to foresee, and over which they could exercise no essential control.

THAT in reply to the second question, this Court is not aware of any legislative enactments, which could at the present moment accelerate that favourable alteration and permanent improvement in the foreign exchange, essential, in the opinion of this court, to the restoration of a metallic currency; but for reasons already assigned, it is deemed highly desirable that prior to the removal of the restriction, the government debt to the bank should be gradually reduced to the extent of ten millions.

A P P E N D I X.

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A P P E N D I X.

Appendix, No. 1.

AN ACCOUNT of the Total Amount of OUTSTANDING DEMANDS on the Bank of England, and Showing the Funds for discharging the same; 30th January 1819.

D - - - - The Bank, - - - -		- - - - 30th January 1819. - - - -		C	
		£			
TO Bank Notes out	- -	28,094,439		BY Advances on Government Securities; viz.	£
To other Debts; viz.	- -			On Exchequer Bills on Malt, &c. 1818	- - -
Drawing Accounts	- -			Bank Loan, 1808	- - -
Audit Bill	- - -	7,800,150		Supply, 1816, at £.4 per cent.	- - -
Exchequer Bills deposited	- -			Growing Produce of the Canal Fund to 31st April 1819, and Interest due, and Loans to Government on Unclaimed Dividends	8,434,500
And various other Debts.	- -				
		33,894,589		By all other Credits; viz.	
Balance of Surplus in favour of the Bank of England, exclusive of the Debt from Government, at £.3 per cent. - £. 11,880,800	- -			Cash and Bullion	- -
And the Advance to Government, per 56 Geo. III. cap. 56 at £.3 per cent. 3,000,000	- -	5,401,300		Exchequer Bills purchased and Interest	- - -
				Bills and Notes discounted	- - -
				Treasury Bills for the Service of Ireland	- - -
				Money lent, and various other Articles	- - -
	£	29,495,889			£
				By the permanent Debt due from Government, for the capital of the Bank, at £.3 per cent. per annum	11,880,800
				By the Advance to Government, per Act 56 Geo. III. cap. 56, at £.3 per cent. per annum	3,000,000
Bank of England, } 12d February 1819.				WILL ^m DAVEN, Acc ^t Genl.	

Appendix, No. 2.

COPIES of all Notices issued by the Governor and Company of the Bank of England, through the Speaker of The House of Commons; from February 1797 to this time.

Ordered,

At a Court of Directors at the Bank,
on Thursday the 28th Sept. 1797.

THAT the following Notice be inserted in the Daily and Evening Papers; viz.—“ The Court of Directors of the Governor and Company of the Bank of England hereby gives Notice, That the Dollars now in circulation, which have been stamped at the Tower, may be brought into the Bank to be exchanged for Cash every day, from Monday next the 2d day of October, until the 31st day of the said month, between the hours of 10 in the forenoon and 4 o'clock in the afternoon, Sundays excepted; and that payment will be made for the same in Cash, after the rate of 4s. 3d. per Dollar; and that from and after the 31st of October next, such Dollars will have longer current at the Bank.”

(a).—*Notices issued by the Governor and Company of the Bank of England—continued.*

At a Court of Directors at the Bank,
on Thursday the 15th Jan. 1798.

IN pursuance of the directions of an Act, passed in this session of Parliament, intitled, "An Act to amend and continue, until one month after the conclusion of the present war, the provisions contained in an Act, passed in the session of Parliament of the thirty-sixth and sixty-seventh years of His present Majesty, chapter ninety-one, viz. that, on the twenty-second of June, one thousand seven hundred and ninety-seven, for the restriction on payments of Cash by the Bank."

The Court of Directors of the Governor and Company of the Bank of England, do give Notice to the Right Honourable the Speaker of the House of Commons, That they mean to issue Cash in payment of the One and Two Pound Notes of the Governor and Company of the Bank of England, dated prior to the first day of February 1798.

Dated at the Bank,
the 30th day of January 1798.

By Order of the Court of Directors.

At a Court of Directors at the Bank,
on Thursday the 3d Jan. 1799.

Resolved,

THAT the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 14th instant, the Bank will pay in Cash all fractional notes under Five Pounds, and that on and after the first of February next, the Bank will pay Cash for all Notes of One and Two Pounds value, that are dated prior to the 1st of July 1798, or exchange them for new Notes of the same value, at the option of the holders.

At a Court of Directors at the Bank,
on Thursday the 18th Nov. 1816.

Resolved,

THAT the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 15th December next, the Bank will pay Cash for all Notes of One and Two Pounds value, that are dated prior to the 1st of January 1818, or exchange them for new Notes of the same value, at the option of the holders.

At a Court of Directors at the Bank,
on Thursday the 17th April 1817.

Resolved,

THAT the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 2d May next, the Bank will pay Cash for all Notes of One and Two Pounds value, that are dated prior to the 1st day of January 1818, or exchange them for new Notes of the same value, at the option of the holders.

At a Court of Directors at the Bank,
on Thursday the 17th July 1817.

Resolved,

THAT the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 1st day of August next, the Bank will exchange all silver pieces called *Tobrams*, issued by them at the respective rates of 3s. and 1s. 6d. each, for the Gold or Silver current Coin of the realm, or for the Notes of the said Governor and Company, at the option of the holders.

At a Court of Directors at the Bank,
on Thursday the 18th Sept. 1817.

Resolved,

THAT the Governor be desired to give Notice to the Speaker of the House of Commons, That on and after the 1st of October next, the Bank will be ready to pay Cash for their Notes of every description, dated prior to the 1st January 1817.

At a Court of Directors at the Bank,
on Thursday the 19th March 1818.

THE Governor reported that, pursuant to the Resolution of the last Court, relating to an issue of the current Silver Coin of the realm, in order to facilitate the calling in the *Tobrams*, he had, at the recommendation of the Committee of Treasury, inserted the following advertisement to the Speaker of the House of Commons, with a request that the usual Notice might be inserted in *The London Gazette*; viz.

"Bank of England, 18th March 1818.

"THE Court of Directors of the Governor and Company of the Bank of England, give Notice, That on and after the 19th day of March instant, the Bank will be ready to issue to each of the bankers in London current Silver Coin of the realm, to the amount of £20,000, in exchange for Bank Notes, provided application be made for the same before the 5th day of July next."

B. BEST, Secy.
10th February 1819.

Appendix, N° 3.

The Amount of ADVANCES made by the Bank of England to Government, on Exchequer Bills and other Securities; including Exchequer Bills, Navy Bills, Victualling Bills, &c. Purchased.

	Out of Sum Issued for the Payment of Dividends.	Exchequer Bills Issued	Exchequer Bills Purchased	Navy and Victualling Bills.	Treasury Bills of Exchange.	Amers- tadanters.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.
1794 - February 25	376,730	9,400,000	-	468,000	96,000	672,000	10,900,000
— - August 25	376,730	9,801,000	-	761,000	21,100	820,000	11,080,000
1795 - February 26	376,730	8,600,000	-	844,000	60,000	600,000	10,000,000
— - August 26	376,730	9,400,000	2,600,000	844,000	27,000	500,000	11,800,000
1796 - February 26	376,730	7,000,000	312,100	1,000,000	718,000	401,000	10,000,000
— - August 26	376,730	8,600,000	-	1,100,000	1,200,000	410,000	10,000,000
1797 - February 26	376,730	8,000,000	-	1,000,000	1,100,000	200,000	10,000,000
— - August 26	376,730	9,400,000	-	1,000,000	1,200,000	200,000	10,000,000
1798 - February 26	376,730	10,000,000	1,500,000	800,000	600,000	200,000	10,000,000
— - August 26	376,730	7,000,000	-	300,000	800,000	100,000	10,000,000
1799 - February 26	376,730	8,000,000	-	1,000,000	1,000,000	200,000	10,000,000
— - August 26	376,730	9,400,000	700,000	1,000,000	900,000	200,000	10,000,000
1800 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1801 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1802 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1803 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1804 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1805 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1806 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1807 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1808 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000
1809 - February 26	376,730	8,000,000	1,000,000	-	-	-	10,000,000
— - August 26	376,730	9,400,000	1,000,000	-	-	-	10,000,000

(3)—Amount of Advances made by The Bank to Government, on Exchequer Bills, &c.—continued.

		Out of Sum issued for the Payment of Dividends.	Exchequer Bills Issued.	Exchequer Bills Purchased.	Treasury Bills for the Service of Ireland.	Consolidated of His Majesty's Woods, &c. New Street Account.		TOTAL.
		£.	£.	£.	£.	£.		£.
1810 -	February 26.	875,732	7,800,000	5,261,100	-	-	-	13,936,832
—	August 25.	875,732	9,258,000	7,287,500	-	-	-	17,421,232
1811 -	February 26.	875,732	7,584,000	5,249,700	-	-	-	13,709,432
—	August 26.	875,732	9,407,000	10,388,500	-	-	-	21,671,232
1812 -	February 26.	875,732	9,605,000	10,809,000	-	-	-	21,289,732
—	August 26.	875,732	9,219,000	11,873,000	-	-	-	21,967,732
1813 -	February 26.	875,732	10,413,000	14,800,000	-	-	-	26,088,732
—	August 26.	875,732	9,428,000	15,423,000	-	-	-	25,726,732
1814 -	February 26.	875,732	10,500,000	13,107,300	-	-	-	24,483,032
—	August 26.	875,732	9,403,000	15,308,800	-	-	-	25,587,532
1815 -	February 26.	875,732	9,401,000	17,715,000	-	-	-	27,891,732
—	August 26.	875,732	7,577,000	16,500,100	-	-	-	24,952,832
1816 -	February 26.	875,732	4,300,000	14,488,300	-	-	-	19,664,032
—	August 26.	1,180,845	11,338,000	13,284,600	1,000,000	-	-	27,803,445
1817 -	February 26.	979,570	10,000,000	13,719,000	3,080,000	-	-	27,778,570
—	August 26.	979,420	10,217,818	13,713,000	3,080,000	300,000	-	28,300,238
1818 -	February 26.	1,021,053	9,000,000	14,668,000	3,750,000	300,000	-	28,739,053
—	August 26.	1,021,053	11,250,000	13,680,000	3,650,000	300,000	-	29,881,053
1819 -	February 11.	1,021,800	9,000,000	13,680,000	3,650,000	300,000	-	29,651,800

10th February 1819.

Appendix, N° 4.

An Account of ADVANCES made by The Bank of England to Government, on Exchequer Bills and other Securities; including Exchequer Bills, &c. Purchased; being a continuation of the Account delivered on the 10th of February 1819.

		Out of Sum issued for the Payment of Dividends.	Exchequer Bills Issued.	Exchequer Bills Purchased.	Treasury Bills for the Service of Ireland.	Consolidated of His Majesty's Woods and Forest New Street Account.	TOTAL.
		£.	£.	£.	£.	£.	£.
1819 -	February 26.	1,021,800	5,551,000	13,080,000	3,650,000	300,000	23,582,800
—	April - 20.	1,021,800	5,582,000	13,080,000	3,650,000	300,000	23,713,800

21st April 1819.

Appendix, N^o 5.

An Account of the Amount of EXCHEQUER BILLS authorized to be issued by Parliament in every year since the year 1792; specifying the Funds upon which those Bills were charged, and upon what proportion the Bank might make Advances by special Claims in each Act.

Date of Acts.	Amount to be Raised.		On what Charged.	Proportion which may be taken by the Bank.	
32 Geo. 3 ^d c. 5 -	2,000,000	- - -	Land Tax - - -	2,000,000	7,084,000
— - - 6 -	484,000	- - -	Malt Tax - - -	484,000	
— - - 15 -	2,000,000	- - -	Surplus 1792, or Surplus of Consolidated Fund -	2,000,000	
— - - 16 -	2,000,000	- - -	Surplus 1794 -	2,000,000	
		7,084,000	- - - - -		
33 Geo. 3 ^d c. 11 -	750,000	- - -	Malt Tax - - -	750,000	11,514,000
— - - 7 -	2,000,000	- - -	Land Tax - - -	2,000,000	
— - - 17 -	2,000,000	- - -	Surplus 1794, or Surplus of Consol ^d Fund -	2,000,000	
— - - 18 -	2,000,000	- - -	D ^e - - D ^e -	2,000,000	
— - - 32 -	1,500,000	- - -	D ^e - - D ^e -	1,500,000	
— - - 34 -	1,000,000	- - -	Surplus of Consolidated Fund -	2,400,000	
		11,514,000	- - - - -		
34 Geo. 3 ^d c. 7 -	750,000	- - -	Land Tax - - -	750,000	12,447,000
— - - 8 -	2,000,000	- - -	Malt Tax - - -	2,000,000	
— - - 18 -	2,000,000	- - -	Surplus 1795, or Surplus of Consol ^d Fund -	2,000,000	
— - - 39 -	1,500,000	- - -	D ^e - - D ^e -	1,500,000	
— - - 40 -	2,000,000	- - -	Surplus of Consol ^d Fund -	2,000,000	
— - - 62 -	2,000,000	- - -	Surplus 1795, or Surplus of Consolidated Fund -	2,000,000	
		12,447,000	- - - - -		
35 Geo. 3 ^d c. 1 -	750,000	- - -	Malt, &c. - - -	750,000	14,648,000
— - - 2 -	2,000,000	- - -	Land Tax - - -	2,000,000	
— - - 51 -	2,000,000	- - -	Surplus 1795, or Surplus of Consolidated Fund -	2,000,000	
— - - 52 -	1,500,000	- - -	D ^e - - D ^e -	1,500,000	
— - - 57 -	2,000,000	- - -	D ^e - - D ^e -	2,000,000	
— - - 110 -	2,000,000	- - -	Surplus of Consol ^d Fund -	2,000,000	
		14,648,000	- - - - -		
36 Geo. 3 ^d c. 1 -	750,000	- - -	Malt Tax - - -	750,000	16,250,000
— - - 2 -	2,000,000	- - -	Land Tax - - -	2,000,000	
— - - 59 -	2,000,000	- - -	Surplus 1796, or Surplus of Consol ^d Fund -	2,000,000	
— - - 60 -	1,500,000	- - -	D ^e - - D ^e -	1,500,000	
— - - 61 -	2,000,000	- - -	D ^e - - D ^e -	2,000,000	
— - - 118 -	2,000,000	- - -	Surplus of Consol ^d Fund -	2,000,000	
		16,250,000	- - - - -		
37 Geo. 3 ^d c. 1 -	750,000	- - -	Malt Tax - - -	750,000	2,100,000
— - - 1 -	2,000,000	- - -	Land Tax - - -	2,000,000	
— - - 114 -	2,000,000	- - -	Surplus 1798, or Surplus of Consol ^d Fund -	2,000,000	
— - - 144 -	2,000,000	- - -	Surplus Consol ^d Fund -	2,000,000	
— - - 18 -	2,000,000	- - -	On Installments of Loan -	—	
		2,100,000	- - - - -		

(5)—Amount of Exchequer Bills in every year since the year 1793—continued.

Date of Act.		Amount to be Raised.		On what Charged.		Proportion which may be raised by the Bank.	
38 Geo. 3 ^d	6. 4	750,000	- - -	Mish Tax	- - -	750,000	
- - -	5	2,000,000	- - -	Land Tax	- - -	2,000,000	
- - -	8	2,000,000	- - -	On Aids, 1798	- - -	2,000,000	
- - -	10	2,000,000	- - -	On Loan	- - -	-	
- - -	24	2,000,000	- - -	Supplies, 1799	- - -	-	
- - -	25	2,000,000	- - -	On Loan, & 17,000,000	- - -	-	
- - -	24	1,750,000	- - -	(On Contribution and Con- vey Acts	- - -	-	
- - -	30	1,000,000	- - -	Supplies 1799, or Surplus Consolidated Fund	- - -	1,000,000	(Bank may advance the sum in case of necessity.)
- - -	31	2,000,000	- - -	Supplies 1799	- - -	2,000,000	
			21,000,000				21,000,000
39 Geo. 3 ^d	6. 6	750,000	- - -	Mish Tax	- - -	750,000	
- - -	5	2,000,000	- - -	Land Tax	- - -	2,000,000	
- - -	18	2,000,000	- - -	On Aids, 1799	- - -	2,000,000	
- - -	19	1,000,000	- - -	- D ^e	- - -	1,000,000	
- - -	41	2,000,000	- - -	- D ^e	- - -	2,000,000	
- - -	58	2,000,000	V. C.	Supplies, 1800	- - -	2,000,000	
- - -	59	2,000,000	- - -	(D ^e or Surplus Consoli- dated Fund	- - -	2,000,000	
- - -	70	2,000,000	- - -	Supplies, 1800	- - -	2,000,000	
- - -	71	2,000,000	- - -	Income Tax, 1799	- - -	2,000,000	
- - -	114	2,000,000	- - -	(Surplus of Consolidated Fund, 1799	- - -	2,000,000	
			22,000,000				22,000,000
40 Geo. 3 ^d	6. 2	750,000	- - -	Mish Tax	- - -	750,000	
- - -	3	2,000,000	- - -	Land Tax	- - -	2,000,000	
- - -	4	2,000,000	- - -	(Aids 1800, or Surplus) Consol ^d Fund	- - -	2,000,000	
- - -	6	2,000,000	- - -	Convey and Excise Duties	- - -	2,000,000	
- - -	18	2,000,000	- - -	(Bank Charter, Supplies) 1800	- - -	2,000,000	
- - -	22	2,000,000	- - -	On Aids, 1800	- - -	2,000,000	
- - -	108	2,000,000	- - -	Supplies, 1801	- - -	2,000,000	
- - -	103	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	104	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	109	2,000,000	- - -	Surplus of Consol ^d Fund	- - -	2,000,000	
			20,000,000				20,000,000
41 Geo. 3 ^d	6. 7	750,000	- - -	Mish Tax	- - -	750,000	
- - -	8	2,000,000	- - -	Land Tax	- - -	2,000,000	
- - -	14	2,000,000	- - -	(On Aids 1800, or Surplus) Consol ^d Fund	- - -	2,000,000	
- - -	4	2,000,000	- - -	On Aids, 1800	- - -	2,000,000	
- - -	21	2,000,000	- - -	Supplies, 1802	- - -	2,000,000	
- - -	24	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	23	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	24	2,000,000	- - -	(Surplus of Consol ^d Fund, 1801	- - -	2,000,000	
			22,000,000				22,000,000
42 Geo. 3 ^d	6. 1	750,000	- - -	Mish, &c. 1802	- - -	750,000	
- - -	6	2,000,000	- - -	Land Tax	- - -	2,000,000	
- - -	7	2,000,000	- - -	Supplies, 1803	- - -	2,000,000	
- - -	17	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	21	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	41	2,000,000	- - -	On Aids, 1802	- - -	2,000,000	
- - -	110	2,000,000	V. C.	Supplies, 1803	- - -	2,000,000	
- - -	111	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
			19,000,000				19,000,000
43 Geo. 3 ^d	6. 3	750,000	- - -	Mish Tax	- - -	750,000	
- - -	4	2,000,000	- - -	Land Tax	- - -	2,000,000	
- - -	5	2,000,000	- - -	On Aids, 1803	- - -	2,000,000	
- - -	20	2,000,000	- - -	Supplies, 1804	- - -	2,000,000	
- - -	23	2,000,000	- - -	D ^e - D ^e	- - -	2,000,000	
- - -	140	2,000,000	- - -	(D ^e or Surplus of Consol- dated Fund	- - -	2,000,000	
- - -	147	2,000,000	- - -	Supplies, 1804	- - -	2,000,000	
- - -	148	2,000,000	- - -	On Aids, 1803	- - -	2,000,000	

(2).—Amount of Exchequer Bills in every year since the year 1795—continued.

Date of Act.	Amount to be Raised.	On what Charged.	Provision which may be taken by the Bank.
44 Geo. 3 ^d c. 15	5,000,000	On Aids, 1804	4,000,000
— " — 16	750,000	Malt, &c. 1804	750,000
— " — 17	2,000,000	Land Tax	2,000,000
— " — 33	2,000,000	On Aids, 1804	2,000,000
— " — 42	2,000,000	Supplies, 1803	2,000,000
— " — 48	1,500,000	Supplies, 1803	1,500,000
— " — 73	815,000	On Aids, 1804	2,000,000
— " — 81	2,200,000	(Supplies, 1804, or Surplus)	2,200,000
		Consol ^d Fund	
	22,255,000		In case of London
			14,750,000
45 Geo. 3 ^d c. 2	750,000	Malt Tax	750,000
— " — 3	2,000,000	Land Tax	2,000,000
— " — 7	2,000,000	Aids, 1803	2,000,000
— " — 27	10,227,000	D ^r - D ^r	2,000,000
— " — 118	2,000,000	Supplies, 1803	4,000,000
— " — 119	2,500,000	D ^r - D ^r	2,500,000
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(5.)—Amount of Exchange Bills in every year since the year 1793—continued.

Date of Ass.		Amount to be raised.		On what charged.		Proportion which may be taken by the Bank.	
31 Dec. 3 ^d c. 1	-	1,000,000	-	Malt Tax	-	3,000,000	B.
— " " 2	-	10,500,000	-	Supplies, 1812	-	6,500,000	
— " " 3	-	1,500,000	-	Do	-	1,500,000	
— " " 53	-	7,000,000	-	Do	-	6,000,000	
— " " 54	-	1,400,000	-	Do	-	1,500,000	
— " " 55	-	14,570,000	-	On Aids, 1811	-	6,000,000	
— " " 113	-	3,000,000	-	Supplies, 1812	-	3,000,000	
			40,070,000				17,500,000
48 Dec. 3. c. 53 *	-	-	3,000,000 *	-	-	-	3,000,000 *
			43,070,000 *	-	-	-	20,500,000 *
51 Dec. 3 ^d c. 1	-	3,000,000	-	Malt Tax	-	3,000,000	B.
— " " 4	-	10,500,000	-	Supplies, 1813	-	6,500,000	
— " " 5	-	1,500,000	-	Do	-	1,500,000	
— " " 56	-	5,000,000	-	Do	-	5,000,000	
— " " 114	-	18,814,000	-	On Aids, 1812	-	6,000,000	
— " " 154	-	3,000,000	-	Supplies, 1813	-	3,000,000	
			41,814,000				25,000,000
48 Dec. 3. c. 53 *	-	-	3,000,000 *	-	-	-	3,000,000 *
			44,814,000 *	-	-	-	28,000,000 *
53 Dec. 3 ^d c. 15	-	3,000,000	-	Malt Tax	-	3,000,000	B.
— " " 16	-	10,500,000	-	Supplies, 1814	-	6,500,000	
— " " 26	-	5,000,000	-	Do	-	5,000,000	
— " " 37	-	1,500,000	-	Do	-	1,500,000	
— " " 43	-	10,000,000	-	On Aids, 1813	-	6,000,000	
— " " 118	-	5,670,700	-	Supplies, 1814	-	5,670,700	
— " " 119	-	1,000,000	-	Do	-	1,000,000	
— " " 155	-	5,000,000	-	Do	-	5,000,000	
			51,670,700				33,670,700
48 Dec. 3. c. 53 *	-	-	3,000,000 *	-	-	-	3,000,000 *
			54,670,700 *	-	-	-	36,670,700 *
54 Dec. 3 ^d c. 2	-	3,000,000	-	Malt, &c.	-	3,000,000	B.
— " " 18	-	10,500,000	-	Supplies, 1815	-	6,500,000	
— " " 29	-	5,000,000	-	Do	-	5,000,000	
— " " 53	-	17,000,000	-	On Aids, 1814	-	6,000,000	
— " " 70	-	6,000,000	-	Supplies, 1815	-	6,000,000	
— " " 80	-	1,500,000	-	Do	-	1,500,000	
— " " 158	-	3,000,000	-	Do	-	3,000,000	
			48,000,000				31,000,000
48 Dec. 3. c. 53 *	-	-	3,000,000 *	-	-	-	3,000,000 *
			51,000,000 *	-	-	-	34,000,000 *
55 Dec. 3 ^d c. 3	-	3,000,000	-	Malt Tax	-	3,000,000	B.
— " " 4	-	10,500,000	-	Supplies, 1816	-	6,000,000	
— " " 5	-	5,140,000	-	On Aids, 1815	-	5,000,000	
— " " 146	-	4,500,000	-	Supplies, 1816	-	6,500,000	
— " " 149	-	1,500,000	-	Do	-	1,500,000	
— " " 166	-	6,000,000	-	Do	-	6,000,000	
			55,740,000				31,000,000
48 Dec. 3. c. 53 *	-	-	3,000,000 *	-	-	-	3,000,000 *
			58,740,000 *	-	-	-	34,000,000 *
56 Dec. 3 ^d c. 3	-	3,000,000	-	Malt, &c.	-	3,000,000	B.
— " " 4	-	11,000,000	-	Supplies, 1817	-	6,000,000	
— " " 14	-	6,000,000	-	(Payable at the end of two years, &c. &c.)	-	6,000,000	
— " " 48	-	11,131,000	-	On Aids, 1816	-	8,000,000	
— " " 54	-	15,000,000	-	Supplies, 1817	-	6,000,000	
			45,131,000				35,000,000

(5).—Amount of Exchange Bills in every year since the year 1790—continued.

Date of Act.	Amount to be raised.		On what charged.		Provision which may be taken by the Bank.	
27 Geo. 3 ^d c. 2	14,000,000	- - -	Supplies - 1818	- - -	15,000,000	B
" " " 5	3,000,000	- - -	Milk, &c.	- - -	3,000,000	
" " " 16	18,000,000	- - -	Supplies - 1818	- - -	12,000,000	
" " " 20	3,000,000	- - -	Do	- - -	3,000,000	
		54,000,000	- - -	- - -		23,000,000
26 Geo. 3 ^d c. 14	- - -	6,000,000 *	- - -	- - -	- - -	6,000,000 *
		60,000,000 *	- - -	- - -	- - -	45,000,000 *
33 Geo. 3 ^d c. 5	3,000,000	- - -	Milk, &c.	- - -	3,000,000	
" " " 4	35,000,000	- - -	Supplies - 1819	- - -	20,000,000	
" " " 26	11,000,000	- - -	Do	- - -	8,000,000	
		44,000,000	- - -	- - -		31,000,000

Appendix, N^o 6.

Extract from the Appendix to the Report of the Lords Committee of Secrecy, 1797.

An Account of ADVANCES by the Bank to Government on Land, Milk, Exchange Bills, and other Securities, on the 15th of February in each of the twenty years preceding the 15th February 1797.

	Land and Milk.	Exchange Bills.	Treasury Bills.	Loans to Government without Interest.	Total.
	£.	£.	£.	£.	£.
1777 - - -	4,613,000	1,500,000	- - -	- - -	7,413,000
1778 - - -	5,051,000	1,500,000	1,700	- - -	7,552,700
1779 - - -	5,081,000	1,700,000	15,884	- - -	8,400,000
1780 - - -	5,613,000	3,104,400	33,680	- - -	8,750,080
1781 - - -	5,317,000	261,100	43,841	- - -	8,188,841
1782 - - -	5,622,000	4,083,000	43,000	- - -	9,748,000
1783 - - -	4,661,000	4,061,000	4,871	- - -	8,726,871
1784 - - -	5,001,000	3,641,000	13,853	- - -	7,655,853
1785 - - -	3,101,000	3,000,000	28,000	- - -	7,129,000
1786 - - -	1,307,000	4,303,400	34,671	- - -	6,044,871
1787 - - -	2,803,000	4,231,000	1,606	- - -	7,144,806
1788 - - -	1,636,000	4,707,000	4,000	- - -	7,347,000
1789 - - -	1,618,000	5,000,000	20,136	- - -	7,648,136
1790 - - -	1,331,000	5,000,000	20,488	- - -	7,651,488
1791 - - -	3,331,000	6,347,100	11,875	- - -	9,689,975
1792 - - -	1,801,000	6,633,000	26,000	276,700	9,736,700

Appendix, N° 7.

An Account of PAYMENTS made to the Bank of England, for the Principal of Exchequer Bills and Irish Treasury Bills, since the 5th April 1818.

Date of Payment.	Description of Bills.	Amount.	
1818: April 14 -	IRISH TREASURY BILLS, per 53 Geo. III. c. 61, and 55 Geo. III. c. 41 - - -	£ 100,000	£ 100,000
	EXCHEQUER BILLS:		
May 10 -	Supply 1817: £. 84,000,000 -	500,000	
42 -	" " " " " " -	400,000	
45 -	" " " " " " -	100,000	
27 -	" " " " " " -	45,000	
July 11 -	" " " " " " -	100,000	
14 -	" " " " " " -	125,000	
17 -	" " " " " " -	100,000	
18 -	" " " " " " -	125,000	
August 7 -	" " " " " " -	584,000	
September 16 -	Supply 1818: £. 6,000,000 (Bank Advances) - - -	300,000	
October 6 -	" " " " " " -	100,000	
28 -	" " " " " " -	1,000,000	
November 3 -	" " " " " " -	300,000	
December 3 -	" " " " " " -	600,000	
7 -	" " " " " " -	300,000	
1819: January 18 -	" " " " " " -	300,000	
			£ 3,100,000
			£ 5,245,400

RECAPITULATION:

IRISH TREASURY BILLS - - - -	£ 100,000
EXCHEQUER BILLS - - - -	5,145,400
	£ 5,245,400

Witnessed Treasury Clerks, }
February 10, 1819.

Joseph Alcock.

Appendix, N° 8.

ADVANCES to Government, exclusive of Exchequer Bills issued on Malt, &c. and Exchequer Bills charged on the growing Produce of the Consolidated Fund.

1819: April 19.	£
Out of Bonds issued for the Payment of Dividends - - - -	1,078,800
Exchequer Bills issued - - - - -	3,408,000
" " " " purchased - - - - -	13,084,000
Treasury Bills, for the Service of Ireland - - - - -	2,650,000
Commissioners of His Majesty's Woods and Forests, New Street Account - - - - -	300,000
	£ 18,460,800
1 May 1819.	£ 18,460,800

Appendix, N° 9.

As Account of the BALANCES of PUBLIC MONEY deposited with the Bank on the 1st and 15th January, February, and 1st March, 1815; and the Amount of Exchequer Bills and Bank Notes deposited by the Bank in the Chests of the Tellers of the Exchequer.

1815	1 January	15 January.	1 February.	15 February	1 March.
	£.	£.	£.	£.	£.
Customs - - - - -	181,252	181,754	227,221	324,530	324,530
Excise - - - - -	227,289	420,594	373,223	222,298	422,214
Savings - - - - -	322,222	22,222	22,722	22,422	22,427
Post Office - - - - -	18,214	18,224	22,221	22,277	22,222
Commissioners for applying Money annually to the Reduc- tion of the National Debt - - - - -	22,211	18,222	112,222	222,472	122,222
Commissioners for Reduction of National Debt, on account of Redemption of the Land Tax - - - - -	2,222	2,222	2,272	2,277	2,272
Commissioners for Reduction of National Debt, the Account of Unclaimed Dividends - - - - -	12	1,222	1,222	22	2
Commissioners for Reduction of National Debt, p/ Act 48 Geo. 3. cap. 121 and subsequent Acts - - - - -	122	2	222	2,222	222
Commissioners for Reduction of National Debt, the Fund for the Banks for Savings - - - - -	12,222	12,272	12,722	12,222	12,222
Barren Departments - - - - -	2,222	2,222	2,222	2,222	2,222
Paymaster General of Forces - - - - -	112,222	112,222	22,222	22,222	22,222
Treasurer of the Navy - - - - -	122,222	122,222	122,222	22,222	22,222
Treasurer of the Navy and Cashier of the Navy - - - - -	22,222	22,722	12,222	22,222	22,222
Treasurer of the Navy and Deputy Paymaster of the Navy - - - - -	2,222	22,222	1,222	22,222	2,222
Treasurer of the Navy and Cashier of the Victualling - - - - -	2,222	12,222	22,222	22,222	2,222
Treasurer of the Navy and Cashier of Allocations - - - - -	2,222	22,222	2,222	22,222	22,222
Treasurer of the Ordnance - - - - -	2,222	22,222	22,222	22,222	22,222
Treasurer of Chelsea Hospital - - - - -	2,222	2,222	2,222	2,222	22,222
Commissioners for Woods, Forests, and Land Revenues - - - - -	12,222	12,222	12,222	12,222	12,222
Assistant Surveyor General and Cashier of the Office of Woods and Public Buildings - - - - -	2,222	2,222	2,222	2,222	2,222
Accountant General of the Court of Chancery - - - - -	122,222	222,222	222,222	222,222	222,222
The H ^{on} Charles Manners Sutton and Others - - - - -	1,222	1,222	1,222	1,222	222
The Agent for paying Allowances to retired and officiating Chaplains of the Army - - - - -	2,222	2,222	2,222	2,222	2,222
The Commissioners for the Issue of certain Exchequer Bills, Act 27, Geo. 3 - - - - -	12,222	22,222	12,222	12,222	12,222
The Treasurer of Greenwich Hospital - - - - -	22,222	22,222	22,222	22,222	22,222
The Agent to the Royal Military College - - - - -	2,222	2,222	2,222	2,222	2,222
The Account of the Commissioners for regulating the Offices of the House of Commons, the Speaker of the House of Commons, and Others - - - - -	2,222	2,222	222	222	2,222
The Lords Commissioners of His Majesty's Treasury, on account of the Interest, Sinking Fund, and Charges of Management on the Loans raised for the Service of the East India Company - - - - -	22,222	—	—	—	—
The Lord Chamberlain to the King - - - - -	222	222	222	222	222
The Commissioners for the Reduction of the National Debt, and sundry Receivers General - - - - -	2,222	2,222	2,222	2,222	2,222
The Commissioners of His Majesty's Woods, Forests, and Land Revenues, being the New Forest Account - - - - -	12,222	12,222	12,222	12,222	12,222
The Commissioners of His Majesty's Woods, Forests, and Land Revenues, being the Navy Timber Nursery Fund - - - - -	222	222	222	222	222
George Dickins and John Church, Stationary Office - - - - -	2,222	12,222	1,222	222	2,222

(3.)—Account of the Balances of Public Money deposited with the Bank, &c.—continued.

1819	1 January.	15 January.	1 February.	15 February.	1 March.
	£.	£.	£.	£.	£.
The Account of the Sale of the Fox Farm Rents . . .	680	—	—	—	—
The Paymaster General of His Majesty's Forces, on account of Half-pay and Military Allowances	6,601	21,010	23,215	14,381	21,191
The Paymaster General of His Majesty's Forces, on account of Pensions to Widows of Officers, Pensions to Wounded Officers, Pay of General Officers, Allowances on the Compassionate List and Royal Bounty	10,637	25,205	17,204	9,817	6,197
The Agent for the Purchase of Commission Supplies . .	17,112	21,453	29,091	22,220	21,223
Henry Hare and Thomas Rippon, Attorneys for Acceptances and Dividends, to an Account of the Sale of the Land Tax	10,025	11,798	11,722	11,722	11,463
The Account of Money received, by way of interest, at the time of transferring Instalments of Stock, for the Redemption of the Land Tax	7,661	7,031	7,078	7,570	7,520
The Treasurer of Chelsea Hospital; the Foundage Fund Account	269	3,450	4,470	5,212	1,210
The Treasurer of Chelsea Hospital; unclaimed Prize Money Account	2,265	1,850	5,703	4,872	12,041
Stephen Rembold Lushington and George Harrison . .	15,872	1,227	3,044	2,044	3,044
The Paymaster of the Royal Marines	7,343	3,801	7,105	17,528	12,497
The Paymaster of Exchequer Bills, Act 38 Geo. 3, cap. 12.	22,725	775,212	475,027	25,281	12,773
Edward Henry Verriest and Others, Exchequer Bill Account	25,054	14,374	26,223	27,600	15,769
Nagant Kikland	12,209	2,423	16,390	5,442	14,411
The Paymaster of the Navy	1,220	610	610	610	610
The Agent for the Out Pensions of Chelsea Hospital . .	20,212	41,510	42,407	42,385	107,822
The Agent for the Out Pensions of Kilmainham Hospital, resident in Great Britain	5,020	5,046	687	121	12,146
The Account of Bills of Exchange accepted by order of the Lords Commissioners of His Majesty's Treasury . . .	106,048	47,414	49,011	28,678	42,222
The Lords Commissioners of the Treasury, on account of Bills of Exchange drawn by the Governor in Council of Dominica, in behalf of the Bankers from the Five in the Town of Roosa	72	72	72	72	72
James Window	1,225	2,541	1,798	1,475	1,187
Unclaimed Dividends, including Lottery Prizes (deducting Advances to Government, per 21, 48, and 38 Geo. 3) . .	26,221	2,126,414	1,110,878	722,078	544,927
Exchequer Bills and Bank Notes) Exchequer Bills . .	5,000,000	1,000,000	2,000,000	1,100,000	2,000,000
deposited at the Exchequer .) Bank Notes	1,000,000	Nil.	Nil.	Nil.	Nil.
£.	2,074,500	7,123,512	5,027,206	2,527,280	4,000,914

Bank of England,
9th March 1819. }

Wm. Domet,
Acct Genl.

Appendix, N° 10.

An Account of the Amount of BANK NOTES in Circulation on the under-mentioned Days; distinguishing the Bank Post Bills, and the Amount of Notes under Five Pounds, with the Aggregate of the whole.

				Notes of £. 5. and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.
				£.	£.	£.	£.
1794	February	- 15	-	10,394,106	755,700	-	11,149,806
	August	- 15	-	10,381,071	715,856	-	11,096,927
1795	February	- 16	-	10,580,543	647,550	-	11,228,093
	August	- 16	-	10,103,833	674,335	-	10,778,168
1796	February	- 16	-	10,079,115	618,733	-	10,697,848
	August	- 16	-	10,060,348	587,679	-	10,648,027
1797	February	- 16	-	10,088,507	570,436	-	10,658,943
	August	- 16	-	10,000,860	518,200	-	10,519,060
1798	February	- 16	-	10,000,561	643,133	-	10,643,694
	August	- 16	-	8,661,543	540,650	-	9,202,193
1799	February	- 15	-	8,107,043	474,015	-	8,581,058
	August	- 15	-	8,109,514	500,007	-	8,609,521
1798	February	- 16	-	10,375,188	551,243	1,441,346	12,367,577
	August	- 16	-	10,007,000	551,243	1,400,831	12,059,074
1799	February	- 16	-	10,574,510	607,007	1,451,708	12,633,225
	August	- 16	-	11,000,075	653,700	1,345,039	13,008,814
1800	February	- 15	-	13,106,508	703,600	1,400,700	15,210,808
	August	- 16	-	13,001,401	803,000	1,400,001	15,204,402
1801	February	- 16	-	13,075,000	800,000	1,400,000	15,275,000
	August	- 16	-	11,715,000	700,000	1,400,000	13,815,000
1802	February	- 16	-	13,000,000	800,000	1,400,000	15,200,000
	August	- 16	-	13,001,500	770,000	1,310,000	15,081,500
1803	February	- 16	-	11,700,000	800,000	1,400,000	13,900,000
	August	- 16	-	13,413,000	770,000	1,345,000	15,528,000
1804	February	- 15	-	10,000,000	840,000	1,400,000	12,240,000
	August	- 15	-	11,700,000	743,000	1,345,000	13,788,000
1805	February	- 16	-	11,000,000	1,000,000	1,400,000	13,400,000
	August	- 16	-	11,100,000	710,000	1,300,000	13,110,000
1806	February	- 15	-	11,000,000	700,000	1,400,000	13,100,000
	August	- 16	-	10,143,000	700,000	1,300,000	12,143,000
1807	February	- 16	-	10,150,000	700,000	1,400,000	12,250,000
	August	- 16	-	10,077,000	700,000	1,300,000	12,077,000
1808	February	- 16	-	10,700,000	700,000	1,400,000	12,800,000
	August	- 16	-	10,440,000	700,000	1,300,000	12,440,000
1809	February	- 15	-	10,700,000	800,000	1,400,000	12,900,000
	August	- 16	-	10,000,000	800,000	1,300,000	12,100,000
1810	February	- 16	-	10,000,000	800,000	1,400,000	12,200,000
	August	- 16	-	10,070,000	800,000	1,300,000	12,170,000
1811	February	- 16	-	10,100,000	1,000,000	1,400,000	12,500,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1812	February	- 16	-	10,100,000	1,000,000	1,400,000	12,500,000
	August	- 16	-	10,070,000	1,000,000	1,300,000	12,370,000
1813	February	- 16	-	10,070,000	1,000,000	1,400,000	12,470,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1814	February	- 16	-	10,000,000	1,000,000	1,400,000	12,400,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1815	February	- 15	-	10,000,000	1,000,000	1,400,000	12,400,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1816	February	- 16	-	10,000,000	1,000,000	1,400,000	12,400,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1817	February	- 16	-	10,000,000	1,000,000	1,400,000	12,400,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1818	February	- 16	-	10,000,000	1,000,000	1,400,000	12,400,000
	August	- 16	-	10,000,000	1,000,000	1,300,000	12,300,000
1819	February	- 15	-	10,000,000	1,000,000	1,400,000	12,400,000

Appendix, N° 11.

AN ACCOUNT of the Highest and Lowest aggregate Amount of BANK NOTES, including those of 1st of January in each succeeding Year, to the Year 1815; particularising each Year, specifying the Date of every Five Pounds, of which it is composed;—also, An Account of the Highest and Lowest Amount of each separate

HIGHEST AGGREGATE AMOUNT:

	From 22 July to 21 December 1811.	From 1 January 1812 to 1 January 1813.	From 1 January 1813 to 1 January 1814.	From 1 January 1814 to 1 January 1815.
	On 22d July 1811.	On 11th July 1812.	On 11th January 1813.	On 26th July 1814.
Bank Notes of £. 5, and upwards - - -	£. 16,899,750	£. 16,883,810	£. 17,117,640	£. 16,497,040
Bank Post Bills - -	1,475,700	940,780	898,120	1,387,480
Bank Notes under £. 5	7,616,840	7,804,390	7,824,640	9,656,420
	24,991,290	25,628,980	25,840,400	27,540,940

HIGHEST AMOUNT

of each separate kind of Notes at any one time in Circulation, for the same Periods:

	1811: £.	1812: £.	1813: £.	1814: £.
Bank Notes of £. 5 and upwards - - }	1811: July 30 - 16,119,750.	1812: July 11 - 16,883,810.	1813: Jan. 11 - 17,117,640.	1814: July 19 - 16,497,040.
Bank Post Bills - -	Oct. 31 - 1,401,340.	Feb. 12 - 1,156,530.	Apr. 24 - 1,141,830.	" 23 - 1,425,420.
Bank Notes under £. 5	" 25 - 7,804,470.	Oct. 17 - 7,820,700.	Oct. 16 - 8,139,120.	Oct. 12 - 9,561,480.

N. B.—From 22d July 1811 the Accounts of Bank Notes have been kept so distinct as to show each Day's Amount in Circulation, but prior to the above Date the Accounts required cannot be furnished.

Bank of England,
16 March 1815.

Appendix, N° 11.

every kind at any one time in Circulation, from 1st July to 31st December 1811, and from 1st of January 1812 to each Amount, and distinguishing the Amount of Bank Post Bills and that of Notes above or below the Value of kind of Notes at any one time in Circulation, for the same Periods; specifying and distinguishing as before.

LOWEST AGGREGATE AMOUNT:

	From 1st July to 31. December 1811.	From 1 January 1812 to 1 January 1813.	From 1 January 1813 to 1 January 1814.	From 1 January 1814 to 1 January 1815.
	On 11th December 1811.	On 26th July 1812.	On 26th July 1813.	On 26th January 1814.
Bank Notes of £ 5. and upwards - - -	£ 13,594,180	£ 13,466,070	£ 13,826,180	£ 14,400,000
Bank Post Bills - -	561,000	823,110	526,800	500,000
Bank Notes under £ 5	7,589,000	7,375,100	7,773,070	8,174,800
	21,762,180	21,740,270	22,125,140	23,074,800

LOWEST AMOUNT

of each separate kind of Notes at any one time in Circulation, for the same Periods:

	1811: £ Dec. 11 - 13,594,180.	1812: £ Jan. 6 - 13,775,110.	1813: £ July 5 - 13,826,180.	1814: £ Jan. 5 - 14,400,000.
Bank Notes of £ 5. and upwards - -	" 27 - 13,594,180.	July 7 - 13,466,070.	Dec. 30 - 13,826,180.	" 1 - 14,400,000.
Bank Post Bills - -	" 27 - 561,000.	Jan. 1 - 823,110.	Jan. 1 - 526,800.	" 4 - 500,000.
Bank Notes under £ 5	" 13 - 7,589,000.	Jan. 1 - 7,375,100.	Jan. 1 - 7,773,070.	" 4 - 8,174,800.

W^m Dimes,
Act^y Genl.

Appendix, N° 12.

CONTINUATION of an Account of the Total Weekly Amount of BANK NOTES and BANK POST BILLS in Circulation, from the 5th February 1819 to the 10th April 1819, inclusive.

	Bank Notes of £5. and upwards.	Bank Post Bills.	Bank Notes under £5.	TOTAL.
1819:	£.	£.	£.	£.
February - 10.	10,418,810	1,076,030	7,072,210	18,567,050
" 12.	10,148,030	1,011,030	7,016,310	18,175,370
March - 1.	10,503,370	1,004,330	7,076,330	18,584,030
" 3.	10,203,030	1,036,160	7,164,630	18,403,820
" 10.	10,000,070	1,076,740	7,113,830	18,190,640
" 12.	10,094,320	1,000,070	7,137,000	18,231,390
" 20.	10,000,540	1,077,870	7,161,180	18,239,590
April - 6.	10,018,360	1,070,840	7,000,870	18,100,070
" 13.	10,070,370	1,086,330	7,074,400	18,231,100
" 20.	10,040,070	1,000,000	7,016,070	18,056,140

21 April 1819.

Appendix, N° 13.

Average Amount of BANK NOTES in Circulation, including Bank Post Bills, for the last Three Months, to the end of March 1819.

Three Months Average - - - - - £ 18,794,480

Bank of England,
30th April 1819.

Appendix, N° 14.

A WEEKLY ACCOUNT OF THE MARKET PRICES OF GOLD AND SILVER,
With the Course of the Exchange with HAMBURG, LONDON, and PARIS, from the 1st January 1790,
to the 1st January 1815, and from thence to the latest date.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Coins, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange with Hamburg, 1/4 Duesen.	Course of Exchange with London.	Course of Exchange with Paris.
1790.	£.	s.	d.	£.	s.	d.	£.	s.	£.	s.			
January 1 st	3	17	6	3	17	6	5	2 1/2	5	0 1/2	33	0	5 6 1/2
Feb. 1	3	17	6	3	17	6	5	2 1/2	5	0 1/2	34	11	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0 1/2	34	11	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	1	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	1	5 6 1/2
March 1	3	17	6	3	17	6	5	2 1/2	5	0	35	2	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	2	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	2	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	2	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	2	5 6 1/2
April 1	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
May 1	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	1 1/2	35	4	5 6 1/2
June 1	3	17	6	3	17	6	5	2 1/2	5	0	35	4	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0	35	4	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0	35	4	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0	35	4	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	0	35	4	5 6 1/2
July 1	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
5	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
10	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
15	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
20	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
25	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
Aug. 1	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
5	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
10	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
15	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
20	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
25	3	17	6	3	17	6	5	2	5	1	35	7	5 6 1/2
Sept. 1	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	7	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	7	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	7	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	7	5 6 1/2
Oct. 1	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	8	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	8	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	8	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	8	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	8	5 6 1/2
25	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	8	5 6 1/2
Nov. 1	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	7	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
Dec. 1	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
5	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
10	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
15	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
20	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2
25	3	17	6	3	17	6	5	2 1/2	5	0 1/2	35	6	5 6 1/2

* There is no list of a prior date in this office for January 1790.

+ Foreign gold in coin, i.e. Portugal gold.

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

		Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Bars, per ounce.			Price of Standard SILVER, per ounce.			Price of Spanish DOLLARS, per ounce.			Course of Exchange with Hamburg, $\frac{1}{2}$ Marco.			Course of Exchange with Lyons.			Course of Exchange with Paris.		
		£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
1794:																						
Jan.	7.	3	17	6	3	17	6	3	17	6	3	17	6	35	7		5	7		24	1	
	14.	3	17	6	3	17	6	3	17	6	3	17	6	35	7		5	7		24	1	
	21.	3	17	6	3	17	6	3	17	6	3	17	6	35	7		5	7		24	1	
	28.	3	17	6	3	17	6	3	17	6	3	17	6	35	7		5	7		24	1	
Feb.	4.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	11.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	18.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	25.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
March	4.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	7		24	1	
	11.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	7		24	1	
	18.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	25.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
April	1.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	8.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	7		24	1	
	15.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	7		24	1	
	22.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	7		24	1	
	29.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	7		24	1	
May	6.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
	13.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
	20.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
	27.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
June	3.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
	10.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
	17.	3	17	6	3	17	6	3	17	6	3	17	6	35	11		5	6		24	1	
	24.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	6		24	1	
July	1.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	6		24	1	
	8.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	6		24	1	
	15.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	6		24	1	
	22.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	6		24	1	
	29.	3	17	6	3	17	6	3	17	6	3	17	6	35	10		5	6		24	1	
Aug.	5.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	6		24	1	
	12.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	19.	3	17	6	3	17	6	3	17	6	3	17	6	35	9		5	7		24	1	
	26.	3	17	6	3	17	6	3	17	6	3	17	6	35	7		5	7		24	1	
Sept.	3.	3	17	6	3	17	6	3	17	6	3	17	6	35	6		5	8		24	1	
	9.	3	17	6	3	17	6	3	17	6	3	17	6	35	4		5	8		24	1	
	16.	3	17	6	3	17	6	3	17	6	3	17	6	35	4		5	9		24	1	
	23.	3	17	6	3	17	6	3	17	6	3	17	6	35	5		5	9		24	1	
	30.	3	17	6	3	17	6	3	17	6	3	17	6	35	5		5	9		24	1	
Oct.	7.	3	17	6	3	17	6	3	17	6	3	17	6	35	5		5	9		24	1	
	14.	3	17	6	3	17	6	3	17	6	3	17	6	35	4		5	9		24	1	
	21.	3	17	6	3	17	6	3	17	6	3	17	6	35	4		5	9		24	1	
	28.	3	17	6	3	17	6	3	17	6	3	17	6	35	3		5	9		24	1	
Nov.	4.	3	17	6	3	17	6	3	17	6	3	17	6	35	1		5	9		24	1	
	11.	3	17	6	3	17	6	3	17	6	3	17	6	34	11		5	8		24	1	
	18.	3	17	6	3	17	6	3	17	6	3	17	6	35	1		5	8		24	1	
	25.	3	17	6	3	17	6	3	17	6	3	17	6	35	1		5	9		24	1	
Dec.	2.	3	17	6	3	17	6	3	17	6	3	17	6	35	1		5	9		24	1	
	9.	3	17	6	3	17	6	3	17	6	3	17	6	35	3		5	9		24	1	
	16.	3	17	6	3	17	6	3	17	6	3	17	6	35	3		5	9		24	1	
	23.	3	17	6	3	17	6	3	17	6	3	17	6	35	1		5	9		24	1	
	30.	3	17	6	3	17	6	3	17	6	3	17	6	34	10		5	8		24	1	
1795:																						
Jan.	6.	3	17	6	3	17	6	3	17	6	3	17	6	34	6		5	8		24	1	
	13.	3	17	6	3	18	6	3	18	6	3	18	6	34	6		5	8		24	1	
	20.	3	17	6	3	18	6	3	18	6	3	18	6	34	9		5	8		24	1	
	27.	3	17	6	3	18	6	3	18	6	3	18	6	34	11		5	8		24	1	
	34.	3	17	6	3	18	6	3	18	6	3	18	6	34	11		5	8		24	1	
	31.	3	17	6	3	18	6	3	18	6	3	18	6	34	11		5	8		24	1	

(14.)—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Value of Standard GOLD in Mass. per ounce.		Price of Foreign GOLD in Mass. per ounce.		Price of Standard SILVER, per ounce.		Price of Foreign DOLLARS, per ounce.		Course of Exchange with Hamburg, & Cassens.		Course of Exchange with Lisbon.		Course of Exchange with Paris.	
1790:														
Feb. - 7.	£.	s.	d.	£.	s.	d.	£.	s.	34	3	5	8	17	
14.	3	17	6	-	-	-	5	4	34	3	5	8	17	
21.	3	17	6	-	-	-	5	4	34	3	5	8	17	
28.	3	17	6	-	-	-	5	4	34	4	5	8	17	
March 6.	3	17	6	-	-	-	5	4	34	4	5	8	17	
13.	3	17	6	4	0	0	5	4	34	5	5	8	17	
20.	3	17	6	-	-	-	5	5	34	5	5	8	17	
27.	3	17	6	-	-	-	5	5	34	6	5	8	17	
April - 3.	3	17	6	-	-	-	5	5	34	5	5	8	17	
10.	3	17	6	-	-	-	5	4	34	5	5	8	17	
17.	3	17	6	-	-	-	5	4	34	5	5	8	17	
24.	3	17	6	-	-	-	5	4	34	3	5	8	17	
May - 1.	3	17	6	-	-	-	5	4	34	3	5	8	17	
8.	3	17	6	-	-	-	5	4	34	4	5	8	17	
15.	3	17	6	-	-	-	5	5	34	4	5	8	17	
22.	3	17	6	4	1	0	5	5	34	5	5	8	17	
29.	3	17	6	4	1	0	5	5	34	4	5	8	17	
June 5.	3	17	6	4	1	0	5	5	34	4	5	8	17	
12.	3	17	6	4	1	0	5	5	34	5	5	8	17	
19.	3	17	6	4	1	0	5	5	34	5	5	8	17	
26.	3	17	6	4	1	0	5	5	34	5	5	8	17	
July - 3.	3	17	6	4	1	0	5	5	34	5	5	8	17	
10.	3	17	6	4	1	0	5	5	34	5	5	8	17	
17.	3	17	6	4	1	0	5	5	34	5	5	8	17	
24.	3	17	6	4	1	0	5	5	34	5	5	8	17	
31.	3	17	6	4	1	0	5	5	34	5	5	8	17	
Aug. - 7.	3	17	6	4	1	0	5	5	34	5	5	8	17	
14.	3	17	6	4	1	0	5	5	34	5	5	8	17	
21.	3	17	6	4	1	0	5	5	34	5	5	8	17	
28.	3	17	6	4	1	0	5	5	34	5	5	8	17	
Sept. - 4.	3	17	6	4	1	0	5	5	34	5	5	8	17	
11.	3	17	6	4	1	0	5	5	34	4	5	8	17	
18.	3	17	6	4	1	0	5	5	34	4	5	8	17	
25.	3	17	6	-	-	-	5	5	34	4	5	8	17	
Oct. - 2.	3	17	6	-	-	-	5	5	34	6	5	8	17	
9.	3	17	6	-	-	-	5	4	34	3	5	8	17	
16.	3	17	6	-	-	-	5	4	34	3	5	8	17	
23.	3	17	6	-	-	-	5	4	34	3	5	8	17	
30.	3	17	6	-	-	-	5	4	34	3	5	8	17	
Nov. - 6.	3	17	6	-	-	-	5	4	34	4	5	8	17	
13.	3	17	6	-	-	-	5	4	34	5	5	8	17	
20.	3	17	6	-	-	-	5	4	34	5	5	8	17	
27.	3	17	6	-	-	-	5	4	34	5	5	8	17	
Dec. - 4.	3	17	6	-	-	-	5	4	34	5	5	8	17	
11.	3	17	6	-	-	-	5	4	34	5	5	8	17	
18.	3	17	6	-	-	-	5	4	34	5	5	8	17	
25.	3	17	6	-	-	-	5	4	34	5	5	8	17	
1791:														
Jan. - 1.	3	17	6	-	-	-	5	4	34	4	5	8	17	
8.	3	17	6	-	-	-	5	4	34	5	5	8	17	
15.	3	17	6	-	-	-	5	4	34	5	5	8	17	
22.	3	17	6	-	-	-	5	4	34	5	5	8	17	
Feb. - 1.	3	17	6	-	-	-	5	5	34	5	5	8	17	
8.	3	17	6	-	-	-	5	5	34	5	5	8	17	
15.	3	17	6	3	17	0	5	5	34	5	5	8	17	
22.	3	17	6	3	17	0	5	5	34	5	5	8	17	
March 1.	3	17	6	-	-	-	5	5	34	5	5	8	17	
8.	3	17	6	-	-	-	5	5	34	5	5	8	17	
15.	3	17	6	-	-	-	5	5	34	5	5	8	17	
22.	3	17	6	-	-	-	5	5	34	5	5	8	17	
29.	3	17	6	-	-	-	5	5	34	5	5	8	17	

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

		Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Pies. per ounce.	Price of Standard SILVER, per ounce.	Price of Standard DOLLARS, per ounce.	Current Exchange with Hambro, & Co. Bankers.	Current Exchange with Lahar.	Current Exchange with Pies.
1793		£. s. d.	£. s. d.	s. d.	s. d.			
April	5	3 17 6	- - -	5 3 6	5 1 1	37 8	67	—
	10	3 17 6	- - -	5 3 6	5 1 1	38 0	68	10
	15	3 17 6	- - -	5 3 6	5 1 1	38 0	68	10
	20	3 17 6	- - -	5 3 6	5 1 1	38 0	68	10
May	3	3 17 6	- - -	5 3 6	5 1 1	37 6	66	—
	10	3 17 6	3 17 6	5 3 6	5 1 1	37 6	66	10
	17	3 17 6	3 17 6	5 3 6	5 1 1	37 3	65	10
	24	3 17 6	3 17 6	5 3 6	5 1 1	37 3	65	10
	31	3 17 6	3 17 6	5 3 6	5 1 1	37 4	67	10
June	7	3 17 6	3 17 6	5 1 6	- - -	37 6	67	10
	14	3 17 6	3 17 6	5 1 6	- - -	37 6	67	10
	21	3 17 6	3 17 6	5 1 6	4 11 6	37 6	67	10
	28	3 17 6	3 17 6	5 1 6	4 11 6	37 6	67	10
July	5	3 17 6	3 17 6	5 1 6	4 11 6	37 0	66	10
	12	3 17 6	3 17 6	5 1 6	4 11 6	36 8	65	10
	19	3 17 6	3 17 6	5 1 6	4 11 6	36 5	65	10
	26	3 17 6	3 17 6	5 1 6	4 11 6	36 10	67	10
Aug.	2	3 17 6	3 17 6	5 1 6	4 11 6	36 6	67	10
	9	3 17 6	3 17 6	5 1 6	4 11 6	36 6	67	10
	16	3 17 6	3 17 6	5 1 6	4 11 6	36 7	66	10
	23	3 17 6	3 17 6	5 1 6	5 0 0	36 0	66	10
	30	3 17 6	3 17 6	5 1 6	5 0 0	36 0	66	10
Sept.	6	3 17 6	3 17 6	5 1 6	5 0 0	36 10	66	10
	13	3 17 6	3 17 6	5 1 6	5 0 0	36 0	66	10
	20	3 17 6	3 17 6	5 1 6	5 0 0	36 10	66	10
	27	3 17 6	3 17 6	5 1 6	5 0 0	36 10	67	10
Oct.	4	3 17 6	3 17 6	5 1 6	5 0 0	35 0	65	10
	11	3 17 6	3 17 6	5 1 6	5 0 0	35 8	65	10
	18	3 17 6	3 17 6	5 1 6	5 0 0	35 6	65	10
	25	3 17 6	3 17 6	5 1 6	5 0 0	35 5	65	10
Nov.	1	3 17 6	3 17 6	5 1 6	5 0 0	35 3	65	10
	8	3 17 6	3 17 6	5 1 6	5 0 0	35 1	65	10
	15	3 17 6	3 17 6	5 0 0	5 0 0	34 11	65	10
	22	3 17 6	3 17 6	- - -	- - -	35 3	65	10
	29	3 17 6	3 17 6	- - -	- - -	35 4	65	10
Dec.	6	3 17 6	3 17 6	- - -	- - -	35 4	65	10
	13	3 17 6	3 17 6	5 1 6	4 11 6	35 6	65	10
	20	3 17 6	3 17 6	5 1 6	4 11 6	35 0	65	10
	27	3 17 6	3 17 6	5 1 6	4 11 6	35 1	65	10
1794								
Jan.	3	3 17 6	3 17 6	5 1 6	4 11 6	35 0	65	10
	10	3 17 6	3 17 6	5 1 6	4 11 6	35 10	65	10
	17	3 17 6	3 17 6	5 1 6	4 11 6	35 11	65	10
	24	3 17 6	3 17 6	- - -	- - -	35 11	65	10
	31	3 17 6	3 17 6	5 1 6	4 10 6	35 1	65	10
Feb.	7	3 17 6	3 17 6	5 1 6	4 11 6	35 1	64	10
	14	3 17 6	3 17 6	5 1 6	4 11 6	35 5	65	10
	21	3 17 6	3 17 6	5 1 6	4 11 6	35 3	65	10
	28	3 17 6	3 17 6	5 1 6	4 11 6	35 4	65	10
Mar.	7	3 17 6	3 17 6	5 1 6	4 11 6	35 4	65	10
	14	3 17 6	3 17 6	5 1 6	4 11 6	35 5	65	10
	21	3 17 6	3 17 6	5 1 6	4 11 6	35 5	65	10
	28	3 17 6	3 17 6	5 1 6	4 11 6	35 5	65	10
April	4	3 17 6	3 17 6	5 1 6	4 11 6	35 5	65	10
	11	3 17 6	3 17 6	5 1 6	4 11 6	35 5	65	10
	18	3 17 6	3 17 6	5 1 6	5 0 0	35 5	65	10
	25	3 17 6	3 17 6	5 1 6	5 0 0	35 5	65	10

(14).—Weekly Abstract of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Ounces, per ounce.			Price of Foreign GOLD in Ounces, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange on L. Banknote, 2½ Months.		Course of Exchange with London.		Course of Exchange with Paris.	
1794:	£.	s.	d.	£.	s.	d.	s.	d.	s.	d.						
May - 4	3	17	6	3	17	6	5	1	5	0	36	7	64	—	—	—
9	3	17	6	3	17	6	5	1	5	0	36	5	64	—	—	—
16	3	17	6	3	17	6	5	1	5	0	36	5	64	—	—	—
23	3	17	6	3	17	6	5	1	5	1	36	5	64	—	—	—
30	3	17	6	3	17	6	5	1	5	1	34	9	64	—	—	—
June - 6	3	17	6	3	17	6	5	1	—	—	34	8	64	—	—	—
13	3	17	6	3	17	6	5	1	5	0	36	7	64	—	—	—
20	3	17	6	3	17	6	5	1	5	1	36	5	64	—	—	—
27	3	17	6	3	17	6	5	1	5	1	36	5	64	—	—	—
July - 4	3	17	6	3	17	6	5	1	5	1	36	7	64	—	—	—
11	3	17	6	3	17	6	5	1	5	1	36	6	64	—	—	—
18	3	17	6	3	17	6	5	1	5	1	36	6	64	—	—	—
25	3	17	6	3	17	6	5	1	5	0	36	7	64	—	—	—
Aug. - 1	3	17	6	3	17	6	5	1	5	0	36	10	64	—	—	—
8	3	17	6	3	17	6	5	1	5	0	36	6	64	—	—	—
15	3	17	6	3	17	6	5	1	4	11	36	9	64	—	—	—
22	3	17	6	3	17	6	5	1	5	0	36	6	64	—	—	—
29	3	17	6	3	17	6	5	1	5	0	36	6	64	—	—	—
Sept. - 5	3	17	6	3	17	6	5	1	5	0	36	8	64	—	—	—
12	3	17	6	3	17	6	5	1	5	0	36	8	64	—	—	—
19	3	17	6	3	17	6	5	1	5	0	36	8	64	—	—	—
26	3	17	6	3	17	6	5	1	5	0	36	8	64	—	—	—
Oct. - 3	3	17	6	3	17	6	5	1	5	0	36	5	64	—	—	—
10	3	17	6	3	17	6	5	1	5	0	36	6	64	—	—	—
17	3	17	6	3	17	6	5	1	5	0	36	6	64	—	—	—
24	3	17	6	3	17	6	5	1	5	0	34	4	64	—	—	—
31	3	17	6	3	17	6	5	1	5	0	34	4	64	—	—	—
Nov. - 7	3	17	6	3	17	6	5	1	5	0	34	7	64	—	—	—
14	3	17	6	3	17	6	5	1	5	0	34	7	64	—	—	—
21	3	17	6	3	17	6	5	1	—	—	34	7	64	—	—	—
28	3	17	6	3	17	6	5	1	4	11	36	6	64	—	—	—
Dec. - 5	3	17	6	3	17	6	5	1	5	0	34	9	64	—	—	—
12	3	17	6	3	17	6	5	1	5	1	34	7	64	—	—	—
19	3	17	6	3	17	6	5	1	5	1	34	8	64	—	—	—
26	3	17	6	3	17	6	5	1	5	1	34	6	64	—	—	—
1795:																
Jan. - 2	3	17	6	3	17	6	5	0	5	1	34	8	64	—	—	—
9	3	17	6	3	17	6	5	0	—	—	34	8	64	—	—	—
16	3	17	6	3	17	6	5	1	—	—	34	10	64	—	—	—
23	3	17	6	3	17	6	5	1	5	0	36	9	64	—	—	—
30	3	17	6	3	17	6	5	1	4	11	36	6	64	—	—	—
Feb. - 6	3	17	6	3	17	6	5	1	4	11	36	6	64	—	—	—
13	3	17	6	3	17	6	5	1	4	11	36	6	64	—	—	—
20	3	17	6	3	17	6	5	1	4	11	36	11	64	—	—	—
27	3	17	6	3	17	6	5	1	4	11	36	10	64	—	—	—
March - 6	3	17	6	3	17	6	5	1	4	11	36	8	64	—	—	—
13	3	17	6	3	17	6	5	1	4	11	36	8	64	—	—	—
20	3	17	6	3	17	6	5	1	4	11	36	11	64	—	—	—
27	3	17	6	3	17	6	5	1	4	11	36	5	64	—	—	—
April - 3	3	17	6	3	17	6	5	1	4	11	36	4	64	—	—	—
10	3	17	6	3	17	6	5	1	4	11	34	10	64	—	—	—
17	3	17	6	3	17	6	5	1	4	11	34	8	64	—	—	—
24	3	17	6	3	17	6	5	1	4	11	34	8	64	—	—	—
May - 1	3	17	6	3	17	6	5	1	4	11	34	4	64	—	—	—
8	3	17	6	3	17	6	5	1	—	—	32	6	64	—	—	—
15	3	17	6	3	17	6	5	1	5	0	32	4	64	—	—	—
22	3	17	6	3	17	6	5	1	5	1	32	4	64	—	—	—
29	3	17	6	3	17	6	5	1	5	1	32	6	64	—	—	—

(24).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Bars, per ounce.	Price of Standard SILVER, per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Birmingham, 15 Decemr.	Course of Exchange with London.	Course of Exchange with Paris.
1875:	£. s. d.	£. s. d.	s. d.	s. d.			
Jan - 5.	3 17 6	- - -	5 3	5 3 1/2	32 6	67 1/2	—
12.	3 17 6	- - -	5 3	5 3	32 5	67 1/2	—
19.	3 17 6	- - -	5 3	5 3 1/2	32 5	67 1/2	—
26.	3 17 6	- - -	5 3 1/2	5 3 1/2	32 5	67 1/2	—
Feb - 3.	3 17 6	- - -	5 3 1/2	5 3 1/2	32 7	67 1/2	—
10.	3 17 6	- - -	5 3	5 4 1/2	32 3	67 1/2	—
17.	3 17 6	- - -	5 5	5 4 1/2	32 6	67 1/2	—
24.	3 17 6	- - -	- - -	5 4 1/2	32 6	67 1/2	—
31.	3 17 6	- - -	- - -	5 4 1/2	32 6	68	—
March - 7.	3 17 6	- - -	5 4 1/2	5 4 1/2	32 4	70 1/2	—
14.	- - -	- - -	5 4 1/2	5 5	31 10	70 1/2	—
21.	- - -	- - -	5 5	5 4 1/2	32 3	70 1/2	—
28.	- - -	- - -	5 5	5 4 1/2	32 6	70 1/2	—
April - 4.	- - -	- - -	5 5	5 4 1/2	32 6	70 1/2	—
11.	- - -	- - -	5 5	5 4 1/2	32 6	71 1/2	—
18.	- - -	- - -	5 5	5 4 1/2	32 9	71 1/2	—
25.	- - -	- - -	5 5	5 4 1/2	32 9	71 1/2	—
May - 2.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
9.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
16.	- - -	- - -	5 5	5 4 1/2	32 9	70 1/2	—
23.	- - -	- - -	5 5	5 4 1/2	32 7	70 1/2	—
30.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
June - 6.	- - -	- - -	5 5	5 4 1/2	32 9	70 1/2	—
13.	- - -	- - -	5 5	5 4 1/2	32 10	69 1/2	—
20.	- - -	- - -	5 5	5 4 1/2	32 10	69 1/2	—
27.	- - -	- - -	5 5 1/2	5 4 1/2	32 1	69 1/2	—
July - 4.	- - -	- - -	5 5 1/2	5 4 1/2	32 0	69 1/2	—
11.	- - -	- - -	5 5 1/2	5 4 1/2	32 9	69 1/2	—
18.	- - -	- - -	5 5 1/2	5 4 1/2	32 5	70 1/2	—
25.	- - -	- - -	5 5 1/2	5 4 1/2	32 5	70 1/2	—
August - 1.	- - -	- - -	5 5 1/2	5 4 1/2	32 10	71 1/2	—
8.	- - -	- - -	5 5 1/2	5 4 1/2	32 10	71 1/2	—
15.	- - -	- - -	5 5 1/2	5 4 1/2	32 9	71 1/2	—
22.	- - -	- - -	5 5 1/2	5 4 1/2	32 9	71 1/2	—
29.	- - -	- - -	5 5 1/2	5 4 1/2	32 10	71 1/2	—
September - 5.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
12.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
19.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
26.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
October - 3.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
10.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
17.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
24.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
31.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
November - 7.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
14.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
21.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
28.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
December - 4.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
11.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
18.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
25.	- - -	- - -	5 5	5 4 1/2	32 10	71 1/2	—
1876:							
January - 1.	- - -	- - -	5 5 1/2	5 4 1/2	32 7	70 1/2	—
8.	- - -	- - -	5 5	5 4 1/2	32 10	70 1/2	—
15.	- - -	- - -	5 5	5 4 1/2	32 9	71 1/2	—
22.	- - -	- - -	5 5	5 4 1/2	32 9	71 1/2	—
29.	- - -	- - -	5 5	5 4 1/2	32 4	71 1/2	—
February - 5.	- - -	- - -	5 5 1/2	5 4 1/2	32 6	69 1/2	—
12.	- - -	- - -	5 5 1/2	5 4 1/2	32 3	69 1/2	—
19.	- - -	- - -	5 5 1/2	5 4 1/2	32 6	69 1/2	—
26.	- - -	- - -	5 5 1/2	5 4 1/2	32 3	69 1/2	—
March - 4.	- - -	- - -	5 5 1/2	5 4 1/2	32 3	70 1/2	—
11.	- - -	- - -	5 5 1/2	5 4 1/2	32 4	70 1/2	—
18.	- - -	- - -	5 5 1/2	5 4 1/2	32 4	71 1/2	—
25.	- - -	- - -	5 5 1/2	5 4 1/2	32 10	71 1/2	—
April - 1.	- - -	- - -	5 4 1/2	5 3 1/2	34 6	71 1/2	—
8.	- - -	- - -	5 4 1/2	5 3 1/2	34 10	71 1/2	—
15.	- - -	- - -	5 5	5 3 1/2	34 10	71 1/2	—
22.	- - -	- - -	5 5	5 3 1/2	35 9	71 1/2	—
29.	- - -	- - -	5 5	5 3 1/2	35 9	71 1/2	—
May - 6.	- - -	- - -	5 5	5 3 1/2	35 10	71 1/2	—
13.	- - -	- - -	5 5	5 3 1/2	34 10	71 1/2	—
20.	- - -	- - -	5 5	5 3 1/2	35 9	71 1/2	—
27.	- - -	- - -	5 4 1/2	5 3	34 9	71 1/2	—
June - 3.	3 17 6	3 17 6	5 4 1/2	5 3	34 9	71 1/2	—
10.	3 17 6	3 17 6	5 4 1/2	5 3 1/2	34 9	71 1/2	—
17.	3 17 6	3 17 6	5 5	5 3 1/2	34 9	71 1/2	—
24.	- - -	- - -	- - -	- - -	34 10	71 1/2	—

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Coins, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange with Hamburg, 100 Marks.		Course of Exchange with London.		Course of Exchange with Paris.	
1796.	£.	s.	d.	£.	s.	d.	s.	d.	s.	d.						
July - 1.	-	-	-	-	-	-	5	6	5	4	33	7	78		—	
8.	-	-	-	-	-	-	5	6	5	5	33	7	78		—	
15.	-	-	-	-	-	-	5	6	5	5	33	7	78		—	
22.	-	-	-	-	-	-	5	6	5	5	33	9	78		—	
29.	-	-	-	-	-	-	5	6	-	-	33	9	78		—	
August - 5.	-	-	-	-	-	-	-	-	-	-	33	11	78		—	
12.	3	17	6	-	-	-	5	3	5	2	34	6	69		—	
19.	3	17	6	-	-	-	5	3	5	2	33	10	69		—	
26.	3	17	6	-	-	-	5	3	5	2	33	7	69		—	
Sept. - 3.	3	17	6	-	-	-	5	3	5	2	33	7	69		—	
10.	3	17	6	-	-	-	5	3	5	2	33	7	69		—	
17.	3	17	6	-	-	-	5	4	5	2	34	6	69		—	
24.	3	17	6	-	-	-	5	4	5	2	34	6	69		—	
30.	3	17	6	-	-	-	5	4	-	-	34	6	69		—	
October - 7.	3	17	6	-	-	-	5	3	-	-	34	6	69		—	
14.	3	17	6	-	-	-	5	3	5	2	34	6	69		—	
21.	3	17	6	-	-	-	5	3	5	2	34	6	69		—	
28.	3	17	6	-	-	-	5	3	-	-	34	7	69		—	
Nov. - 4.	3	17	6	-	-	-	5	3	-	-	34	6	69		—	
11.	3	17	6	-	-	-	5	4	5	2	34	6	69		—	
18.	3	17	6	-	-	-	5	4	5	2	34	7	69		—	
25.	3	17	6	-	-	-	5	4	5	3	34	8	69		—	
Dec. - 2.	3	17	6	-	-	-	5	4	5	3	34	6	68		—	
9.	3	17	6	-	-	-	5	5	5	3	34	10	68		—	
16.	3	17	6	-	-	-	5	5	5	3	34	7	68		—	
23.	3	17	6	-	-	-	5	5	5	3	35	3	69		—	
30.	3	17	6	-	-	-	5	5	-	-	35	6	69		—	
1797.																
January - 6.	3	17	6	-	-	-	5	4	5	2	35	6	69		—	
13.	3	17	6	-	-	-	5	4	5	2	35	8	69		—	
20.	3	17	6	-	-	-	5	4	5	2	35	3	68		—	
27.	3	17	6	-	-	-	5	4	5	2	35	3	69		—	
February - 3.	3	17	6	-	-	-	5	4	5	2	35	2	69		—	
10.	3	17	6	-	-	-	-	-	-	-	34	9	68		—	
17.	3	17	6	-	-	-	-	-	-	-	35	2	69		—	
24.	3	17	6	-	-	-	5	5	5	3	36	0	68		—	
March - 3.	-	-	-	-	-	-	5	6	5	5	34	0	68		—	
10.	-	-	-	-	-	-	5	7	5	6	35	0	68		—	
17.	-	-	-	-	-	-	5	7	5	6	35	0	68		—	
24.	-	-	-	-	-	-	5	7	5	6	35	0	68		—	
31.	3	17	6	3	17	6	5	6	5	5	35	2	68		—	
April - 7.	3	17	6	3	17	6	5	6	5	5	35	2	69		—	
14.	3	17	6	3	17	6	5	6	5	5	35	2	69		—	
21.	3	17	6	3	17	6	5	6	5	5	35	4	69		—	
28.	3	17	6	3	17	6	5	6	5	5	35	0	69		—	
May - 5.	3	17	6	3	17	6	5	6	5	5	35	1	68		—	
12.	3	17	6	3	17	6	5	5	5	4	35	2	68		—	
19.	3	17	6	3	17	6	5	5	5	4	35	3	68		—	
26.	3	17	6	3	17	6	5	5	5	3	35	4	68		—	
June - 2.	3	17	6	3	17	6	-	-	5	3	35	4	68		—	
9.	3	17	6	-	-	-	-	-	5	1	35	4	68		—	
16.	3	17	6	-	-	-	-	-	5	0	35	4	69		—	
23.	3	17	6	-	-	-	5	0	5	0	35	4	69		—	
30.	3	17	6	-	-	-	-	-	5	0	35	4	70		—	
July - 7.	3	17	6	-	-	-	-	-	-	-	35	2	70		—	
14.	3	17	6	-	-	-	5	1	5	1	35	7	70		—	
21.	3	17	6	-	-	-	5	1	5	1	35	8	70		—	
28.	3	17	6	-	-	-	5	1	5	1	35	8	71		—	

(continued.)

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Coins, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange with Hambrogh, at London.		Course of Exchange with Paris.	
1857:	£.	s.	d.	£.	s.	d.	s.	d.	s.	d.	£.	s.	£.	s.
August - 4	3	17	6	-	-	-	5	10	5	1	36	7	70	1
11	3	17	6	-	-	-	5	10	5	1	36	8	71	1
18	3	17	6	-	-	-	5	0	5	0	36	11	70	1
25	3	17	6	-	-	-	5	0	5	0	37	7	67	1
Sept. - 1	3	17	10	-	-	-	5	1	5	0	38	0	67	-
8	3	17	10	-	-	-	5	0	4	10	37	10	67	-
15	3	17	10	-	-	-	5	0	4	10	38	0	68	-
22	3	17	10	-	-	-	5	0	4	10	37	10	68	-
29	3	17	10	-	-	-	5	1	4	10	37	8	68	-
Oct. - 6	3	17	10	-	-	-	5	0	4	10	37	8	67	-
13	3	17	10	-	-	-	5	0	4	11	37	10	67	-
20	3	17	10	-	-	-	5	0	4	11	38	0	67	-
27	3	17	10	-	-	-	5	0	4	11	38	0	68	-
Nov. - 3	3	17	10	-	-	-	5	10	4	11	38	0	68	-
10	3	17	10	-	-	-	5	0	5	0	37	10	67	-
17	3	17	10	-	-	-	5	0	5	0	38	1	68	-
24	3	17	10	-	-	-	5	0	5	0	38	1	67	-
Dec. - 1	3	17	10	-	-	-	5	0	-	-	38	2	67	-
8	3	17	10	-	-	-	5	0	5	0	38	4	67	-
15	3	17	10	-	-	-	5	0	5	0	38	4	67	-
22	3	17	10	-	-	-	5	0	5	0	38	5	67	-
29	3	17	10	4	0	0	5	0	5	0	38	5	68	-
1858.														
January - 5	3	17	10	4	0	0	5	0	5	0	38	1	70	-
12	3	17	10	4	0	0	5	0	5	0	37	11	69	-
19	3	17	10	4	0	0	5	0	5	0	38	0	69	-
26	3	17	10	4	0	0	5	0	5	0	38	0	69	-
Feb. - 2	3	17	10	4	0	0	5	0	5	0	38	0	67	-
9	3	17	10	4	0	0	5	0	4	11	37	8	67	-
16	3	17	10	4	0	0	-	-	4	11	38	0	67	-
23	3	17	10	4	0	0	-	-	4	11	38	0	67	-
March - 2	3	17	10	4	0	0	-	-	5	0	37	5	67	-
9	3	17	10	4	0	0	5	1	5	0	37	7	68	-
16	3	17	10	4	0	0	5	1	5	0	37	7	68	-
23	3	17	10	4	0	0	5	1	5	0	37	8	68	-
30	3	17	10	4	0	0	5	1	5	0	37	8	68	-
April - 6	3	17	10	4	0	0	5	1	5	0	37	8	68	-
13	3	17	10	4	0	0	5	1	4	11	37	8	68	-
20	3	17	10	4	0	0	5	1	5	0	37	7	68	-
27	3	17	10	4	0	0	5	1	5	0	37	8	68	-
May - 4	3	17	10	4	0	0	5	1	5	0	37	8	68	-
11	3	17	10	4	0	0	5	1	5	0	37	8	68	-
18	3	17	10	4	0	0	5	1	5	0	37	8	68	-
25	3	17	10	4	0	0	5	1	5	0	37	8	68	-
June - 1	3	17	10	4	0	0	5	1	5	0	37	8	68	-
8	3	17	10	4	0	0	5	1	5	0	37	8	68	-
15	3	17	10	4	0	0	5	1	5	0	37	7	68	-
22	3	17	10	4	0	0	5	1	5	0	37	9	68	-
29	3	17	10	4	0	0	5	1	5	0	37	10	68	-
July - 6	3	17	10	4	0	0	5	1	5	0	37	10	68	-
13	3	17	10	4	0	0	5	1	5	0	37	9	68	-
20	3	17	10	4	0	0	5	1	5	0	37	7	68	-
27	3	17	10	4	0	0	5	1	5	0	37	8	68	-
Aug. - 3	3	17	10	4	0	0	5	1	5	0	37	6	68	-
10	3	17	10	4	0	0	5	1	5	0	37	7	68	-
17	3	17	10	4	0	0	5	1	5	0	37	7	68	-
24	3	17	10	4	0	0	5	1	5	0	37	8	68	-
31	3	17	10	4	0	0	5	1	5	0	37	8	68	-

(14.)—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Mo., per ounce.	Price of Foreign GOLD in Mo., per ounce.	Price of Standard SILVER per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Hamburg, 2½ Denarii.	Course of Exchange with Lisbon.	Course of Exchange with Paris.
1877:	£. s. d.	£. s. d.	£. s. d.	£. s. d.			
Sept. - 7.	3 17 10½	4 0 0	5 1	5 0	37 0	65½	—
14.	3 17 10½	4 0 0	5 1	5 0	37 0	65½	—
21.	3 17 10½	4 0 0	5 0½	5 0	37 8	65½	—
28.	3 17 10½	4 0 0	5 0	5 0	37 8	65½	—
Oct. - 5.	3 17 10½	4 0 0	5 0½	5 0	37 8	65½	—
12.	3 17 10½	4 0 0	5 0½	5 0	37 10	65½	—
19.	3 17 10½	4 0 0	5 0	5 0	37 5	65½	—
26.	3 17 9	4 0 0	5 0½	5 0	37 8	66½	—
Nov. - 2.	3 17 9	4 0 0	5 0½	5 0	37 10	66½	—
9.	3 17 9	4 0 0	5 0½	5 0	37 10	67	—
16.	3 17 9	4 0 0	5 0½	5 0	37 8	67	—
23.	3 17 9	4 0 0	5 0½	5 0	37 4	67	—
30.	3 17 9	4 0 0	5 0½	5 0	37 3	67	—
Dec. - 7.	3 17 9	4 0 0	5 0½	5 0	37 4	68	—
14.	3 17 9	4 0 0	5 0½	5 0	37 3	67½	—
21.	3 17 9	4 0 0	5 1	5 0	37 5	67½	—
28.	3 17 9	4 0 0	5 0	5 0	37 7	67½	—
1878:							
Jan. - 4.	3 17 9	4 0 0	5 0	5 0½	37 8	67½	—
11.	3 17 9	4 0 0	5 0½	5 0	37 8	67	—
18.	3 17 9	4 0 0	—	5 0	37 8	67	—
25.	3 17 9	4 0 0	—	5 1	37 4	67½	—
Feb. - 1.	3 17 9	4 0 0	—	5 1	37 6	67½	—
8.	3 17 9	4 0 0	—	5 1	37 5	67½	—
15.	3 17 9	4 0 0	—	5 0	37 5	67½	—
22.	3 17 9	4 0 0	—	5 1	37 7	67½	—
March - 1.	3 17 9	4 0 0	—	5 1	37 7	67½	—
8.	3 17 9	4 0 0	—	5 1	37 5	67½	—
15.	3 17 9	4 0 0	—	5 0	37 5	67½	—
22.	3 17 9	4 0 0	5 3	5 1	37 4	67½	—
29.	3 17 9	4 0 0	5 3	5 2	37 4	67½	—
April - 5.	3 17 9	4 0 0	5 3	5 2	37 4	68½	—
12.	3 17 9	4 0 0	5 3	5 2	37 2	68½	—
19.	3 17 9	4 0 0	5 2	5 2	36 10	68½	—
26.	3 17 9	4 0 0	5 2	5 2	36 0	68½	—
May - 3.	3 17 9	4 0 0	5 2	5 2	35 6	68½	—
10.	3 17 9	4 0 0	—	5 2	35 6	68½	—
17.	3 17 9	4 0 0	5 4	—	35 0	67	—
24.	3 17 9	4 0 0	5 4	5 3	34 10	67	—
31.	3 17 9	4 0 0	—	—	34 10	67½	—
June - 7.	3 17 9	4 0 0	—	—	34 0	68	—
14.	3 17 9	4 0 0	5 5	5 3½	35 0	67½	—
21.	3 17 9	4 0 0	5 4½	5 3½	35 10	67½	—
28.	3 17 9	4 0 0	—	5 3	35 0	67	—
July - 5.	3 17 9	4 0 0	—	—	35 10	67½	—
12.	3 17 9	4 0 0	—	5 2½	35 4	67½	—
19.	3 17 9	4 0 0	—	5 2½	35 0	68	—
26.	3 17 9	4 0 0	—	5 2½	34 5	68	—
Aug. - 2.	3 17 9	4 0 0	—	5 2½	34 0	68	—
9.	3 17 9	4 0 0	—	5 2½	34 0	67½	—
16.	3 17 9	4 0 0	—	5 2½	34 5	68	—
23.	3 17 9	4 0 0	—	5 2½	34 0	68½	—
30.	3 17 9	4 0 0	—	—	33 8	69½	—
Sept. - 6.	3 17 9	4 0 0	—	—	33 4	69½	—
13.	3 17 9	4 0 0	—	—	33 0	70	—
20.	—	—	5 8	5 7	33 0	70½	—
27.	—	—	5 8	5 7	33 0	69	—

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

		Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Bars, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange with Hamburg, 100 Marks.		Course of Exchange with India.		Course of Exchange with Paris.	
1799:		£.	s.	d.	£.	s.	d.	s.	d.	s.	d.						
October	4.	-	-	-	-	-	-	5	8	5	7	30	0	68	½	—	—
	11.	-	-	-	-	-	-	5	8	5	7	30	0	68	½	—	—
	18.	-	-	-	-	-	-	5	8	5	7	30	0	68	½	—	—
	25.	3	17	7	-	-	-	5	8	5	7	30	0	67	½	—	—
Nov.	1.	-	-	-	-	-	-	5	8	5	7	30	0	67	½	—	—
	8.	-	-	-	-	-	-	5	8	5	7	30	0	67	½	—	—
	15.	-	-	-	-	-	-	5	8	5	7	30	0	68	½	—	—
	22.	-	-	-	-	-	-	5	8	5	7	30	0	65	½	—	—
	29.	-	-	-	-	-	-	5	8	5	7	30	0	65	½	—	—
Dec.	6.	-	-	-	-	-	-	-	-	-	-	30	10	65	½	—	—
	13.	-	-	-	-	-	-	-	-	5	5 ½	31	0	65	½	—	—
	20.	-	-	-	-	-	-	-	-	5	5 ½	31	0	65	½	—	—
	27.	-	-	-	-	-	-	-	-	5	5 ½	30	0	64	½	—	—
1800:																	
January	3.	-	-	-	-	-	-	-	-	5	5	30	0	63	½	—	—
	10.	-	-	-	-	-	-	-	-	5	5	31	0	63	½	—	—
	17.	-	-	-	-	-	-	-	-	5	5	31	0	63	½	—	—
	24.	-	-	-	-	-	-	-	-	5	5	31	0	63	½	—	—
	31.	-	-	-	-	-	-	-	-	5	5	31	0	64	½	—	—
February	7.	-	-	-	-	-	-	-	-	5	6	30	0	64	½	—	—
	14.	-	-	-	-	-	-	-	-	-	-	30	0	64	½	—	—
	21.	-	-	-	-	-	-	-	-	-	-	30	0	64	½	—	—
	28.	-	-	-	-	-	-	-	-	5	7	31	4	64	½	—	—
March	7.	-	-	-	-	-	-	-	-	5	7	31	4	63	½	—	—
	14.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
	21.	-	-	-	-	-	-	-	-	5	7	31	4	63	½	—	—
	28.	-	-	-	-	-	-	-	-	5	7	31	0	63	½	—	—
April	4.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
	11.	-	-	-	-	-	-	-	-	5	7	31	0	63	½	—	—
	18.	-	-	-	-	-	-	-	-	5	7	31	0	63	½	—	—
	25.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
May	2.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
	9.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
	16.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
	23.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
	30.	-	-	-	-	-	-	-	-	5	7	30	0	63	½	—	—
June	6.	-	-	-	4	5	0	-	-	5	7	30	10	63	½	—	—
	13.	-	-	-	4	5	0	-	-	5	7	30	0	61	½	—	—
	20.	-	-	-	4	5	0	-	-	5	7	30	0	61	½	—	—
	27.	-	-	-	4	5	0	-	-	5	7	30	4	61	½	—	—
July	4.	-	-	-	4	5	0	-	-	5	7 ½	30	7	60	½	—	—
	11.	-	-	-	4	5	0	-	-	5	7 ½	30	3	60	½	—	—
	18.	-	-	-	4	5	0	-	-	5	7 ½	30	10	60	½	—	—
	25.	-	-	-	4	5	0	-	-	5	7	30	10	60	½	—	—
August	1.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
	8.	-	-	-	4	5	0	-	-	5	7	30	0	61	½	—	—
	15.	-	-	-	4	5	0	-	-	5	7	30	0	61	½	—	—
	22.	-	-	-	4	5	0	-	-	5	7	30	0	61	½	—	—
	29.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
Sept.	5.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
	12.	-	-	-	4	5	0	-	-	5	7	30	7	60	½	—	—
	19.	-	-	-	4	5	0	-	-	5	7	31	7	60	½	—	—
	26.	-	-	-	4	5	0	-	-	5	7	30	10	60	½	—	—
October	3.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
	10.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
	17.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
	24.	-	-	-	4	5	0	-	-	5	7	30	0	60	½	—	—
	31.	-	-	-	4	5	0	-	-	5	7	30	10	60	½	—	—

(14.)—Weekly Account of the Market Price of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Coins, per ounce.	Price of Standard SILVER in Bars, per ounce.	Price of Standard DOLLARS, per ounce.	Quoted of Exchange with Hongkong, 100 Straits.	Quoted of Exchange with London.	Quoted of Exchange with India.
1899:	£ s. d.	£ s. d.	s. d.	s. d.			
Nov. - 7-	- -	4 5 0	- -	5 8	37 10	52 ½	—
14-	- -	4 5 0	- -	5 8	37 10	52 ½	—
21-	- -	4 5 0	- -	5 8	38 10	52 ½	—
28-	- -	4 5 0	- -	5 8	38 0	52 ½	—
Dec. - 5-	- -	4 5 0	- -	5 8	38 4	51 ½	—
12-	- -	4 5 0	- -	5 8	38 7	51 ½	—
19-	- -	4 5 0	- -	5 9	38 0	52 ½	—
26-	- -	4 5 0	- -	5 9	38 0	52 ½	—
1900:							
January - 2-	- -	4 3 0	- -	5 8	39 8	52 ½	—
9-	- -	4 3 0	- -	5 8	39 7	51 ½	—
16-	- -	4 3 0	- -	5 8	39 5	51 ½	—
23-	- -	4 3 0	- -	5 8	39 6	51 ½	—
30-	- -	4 3 0	- -	5 8	39 8	51 ½	—
February - 6-	- -	4 3 0	- -	5 8	39 10	50 ½	—
13-	- -	4 3 0	- -	5 8	39 10	50 ½	—
20-	- -	- -	- -	5 9	39 9	50 ½	—
27-	- -	4 4 0	- -	5 10	39 7	50 ½	—
March - 6-	- -	- -	- -	5 10	39 7	50 ½	—
13-	- -	- -	- -	5 10	39 9	50 ½	—
20-	- -	4 3 0	- -	- -	39 7	50 ½	—
27-	- -	4 3 0	- -	- -	39 6	50 ½	—
April - 3-	- -	4 3 0	- -	- -	39 6	54 ½	—
10-	- -	4 3 0	- -	- -	39 4	54 ½	—
17-	- -	4 3 0	- -	5 11	39 4	54 ½	—
24-	- -	4 3 0	- -	5 11	39 6	53 ½	—
May - 1-	- -	4 3 0	- -	5 11	39 6	53 ½	—
8-	- -	- -	- -	5 11	39 9	53 ½	—
15-	- -	4 3 0	- -	5 10	39 8	53 ½	—
22-	- -	4 3 0	- -	5 10	39 7	53 ½	—
29-	- -	- -	- -	5 10	39 10	53 ½	—
June - 5-	- -	4 5 0	- -	5 10	39 3	51 ½	—
12-	- -	- -	- -	5 10	39 4	51 ½	—
19-	- -	- -	- -	5 10	39 5	51 ½	—
26-	- -	- -	- -	5 10	39 9	51 ½	—
July - 3-	- -	- -	- -	5 10	39 9	51 ½	—
10-	- -	- -	- -	5 10	39 8	51 ½	—
17-	- -	- -	- -	5 10	39 5	51 ½	—
24-	- -	- -	- -	5 10	39 3	51 ½	—
31-	- -	- -	- -	5 10	39 3	51 ½	—
August - 4-	- -	- -	- -	5 10	39 4	51 ½	—
11-	- -	- -	- -	5 10	39 5	51 ½	—
18-	- -	- -	- -	5 10	39 7	51 ½	—
25-	- -	- -	- -	5 10	39 6	51 ½	—
Sept. - 1-	- -	- -	- -	- -	- -	- -	—
8-	- -	- -	- -	5 10	39 7	51 ½	—
15-	- -	- -	- -	5 10	39 6	51 ½	—
22-	- -	- -	- -	5 10	39 7	51 ½	—
29-	- -	- -	- -	- -	39 8	51 ½	—
October - 6-	- -	- -	- -	5 10	39 6	51 ½	—
13-	- -	- -	- -	- -	39 10	51 ½	—
20-	- -	- -	- -	5 9	39 8	51 ½	—
27-	- -	- -	5 11	5 10	39 4	51 ½	—
Nov. - 3-	- -	- -	5 11	5 10	39 6	51 ½	—
10-	- -	- -	5 11	5 10	39 5	51 ½	—
17-	- -	- -	5 11	5 10	39 11	51 ½	—
24-	- -	- -	- -	5 9	39 1	51 ½	—
31-	- -	- -	- -	5 10 ½	39 3	51 ½	—

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

—	Price of Standard GOLD in East, per ounce.			Price of Foreign GOLD in East, per ounce.			Price of Standard SILVER, per ounce.			Price of Spanish DOLLARS, per ounce.			Course of Exchange with Hamburg, 25 Guineas.	Course of Exchange with London.	Course of Exchange with Paris.
1861:	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.			
Dec. - 4.	-	-	-	-	-	-	-	-	-	-	-	-	31 6	87 ½	—
11.	-	-	-	4 3 6	-	-	-	-	5 10 ½	31 10	-	-	87 ½	—	—
18.	-	-	-	4 3 6	-	-	-	-	5 10 ½	31 6	-	-	86 ½	—	—
25.	-	-	-	4 3 6	-	-	-	-	5 10 ½	31 11	-	-	86 ½	—	—
1861:															
January 1.	-	-	-	-	-	-	-	-	-	31 8	-	-	86 ½	—	—
8.	-	-	-	4 3 6	-	-	-	-	5 10 ½	31 6	-	-	86 ½	—	—
15.	-	-	-	4 3 6	-	-	-	-	5 10 ½	31 6	-	-	86 ½	—	—
22.	-	-	-	-	-	-	-	-	-	31 6	-	-	87 ½	—	—
29.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 1	-	-	87 ½	—	—
February 5.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 6	-	-	88	—	—
12.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 6	-	-	88	—	—
19.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 8	-	-	88	—	—
26.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 8	-	-	88	—	—
March 5.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 8	-	-	88	—	—
12.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 8	-	-	88	—	—
19.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 8	-	-	88	—	—
26.	-	-	-	4 3 6	-	-	5 11 ½	-	5 9	31 8	-	-	88	—	—
April 2.	-	-	-	-	-	-	-	-	-	31 7	-	-	71	23 15	—
9.	-	-	-	-	-	-	5 9 ½	-	5 7	31 4	-	-	71	24 3	—
16.	-	-	-	-	-	-	5 9 ½	-	5 7	31 1	-	-	71	24 3	—
23.	-	-	-	-	-	-	5 9 ½	-	5 7	31 0	-	-	71	23 15	—
30.	-	-	-	-	-	-	5 9 ½	-	5 7	31 9	-	-	70 ½	23 10	—
May 7.	-	-	-	-	-	-	5 9 ½	-	5 7	31 7	-	-	69 ½	23 13	—
14.	-	-	-	-	-	-	5 9 ½	-	5 7	31 7	-	-	69 ½	23 11	—
21.	-	-	-	-	-	-	5 9 ½	-	5 7	31 7	-	-	69 ½	23 10	—
28.	-	-	-	-	-	-	5 9 ½	-	5 7	31 10	-	-	69 ½	23 10	—
June 4.	-	-	-	-	-	-	5 9 ½	-	5 7	31 11	-	-	69 ½	23 15	—
11.	-	-	-	-	-	-	-	-	-	31 1	-	-	69 ½	23 13	—
18.	-	-	-	-	-	-	-	-	-	31 4	-	-	69 ½	23 15	—
25.	-	-	-	-	-	-	5 7	-	5 4 ½	31 3	-	-	67 ½	23 15	—
July 2.	-	-	-	-	-	-	-	-	-	31 3	-	-	67 ½	23 17	—
9.	-	-	-	-	-	-	-	-	-	31 5	-	-	67 ½	23 17	—
16.	-	-	-	-	-	-	5 5 ½	-	5 3	31 3	-	-	67 ½	23 14	—
23.	-	-	-	-	-	-	5 6 ½	-	5 4	31 3	-	-	67 ½	23 13	—
30.	-	-	-	-	-	-	5 6 ½	-	5 4	31 5	-	-	67 ½	23 13	—
August 6.	-	-	-	-	-	-	5 6 ½	-	5 4	31 11	-	-	67 ½	23 13	—
13.	-	-	-	-	-	-	5 6 ½	-	5 4	31 1	-	-	67 ½	23 13	—
20.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	67 ½	23 10	—
27.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	67 ½	23 10	—
Sept. 3.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 3	-	-	67 ½	23 8	—
10.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 3	-	-	67 ½	23 10	—
17.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 3	-	-	67 ½	23 11	—
24.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	67 ½	23 14	—
Oct. 1.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	67 ½	23 11	—
8.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	67 ½	23 11	—
15.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	67 ½	23 11	—
22.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 4	-	-	68	23 15	—
29.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 4	-	-	68	23 15	—
Nov. 5.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	68	23 17	—
12.	-	-	-	-	-	-	5 6 ½	-	5 3 ½	31 5	-	-	68	23 17	—
19.	-	-	-	-	-	-	-	-	-	31 9	-	-	67 ½	23 18	—
26.	-	-	-	-	-	-	5 7	-	5 4 ½	31 10	-	-	67 ½	24 6	—
Dec. 3.	-	-	-	-	-	-	5 7	-	5 4 ½	31 6	-	-	67 ½	24 5	—
10.	-	-	-	-	-	-	5 7	-	5 4 ½	31 1	-	-	67 ½	24 10	—
17.	-	-	-	-	-	-	5 7	-	5 4 ½	31 7	-	-	67 ½	24 10	—
24.	-	-	-	-	-	-	5 7	-	5 4 ½	31 7	-	-	67 ½	24 11	—
31.	-	-	-	-	-	-	5 7	-	5 4 ½	31 10	-	-	67 ½	24 7	—

One day's data.

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Bars, per ounce.			Price of Standard SILVER, per ounce.		Price of Standard DOLLARS, per ounce.		Course of Exchange with Hamburg, 1/4 Thalers.		Course of Exchange with London.		Course of Exchange with Paris.	
1863:	£.	s.	d.	£.	s.	d.	£.	d.	£.	d.						
January 7.	-	-	-	-	-	-	5	7	5	4 1/2	34	2	87	14	4	
14.	-	-	-	-	-	-	5	7	5	4 1/2	34	3	87	14	6	
21.	-	-	-	-	-	-	5	7	5	4 1/2	34	3	87	14	8	
28.	-	-	-	-	-	-	5	7	5	4 1/2	34	3	88	14	8	
February 4.	-	-	-	-	-	-	5	7	5	4 1/2	34	3	88	14	8	
11.	-	-	-	-	-	-	5	7 1/2	5	5	34	3	88	14	8	
18.	-	-	-	-	-	-	5	7 1/2	5	5	34	3	87	14	8	
25.	-	-	-	-	-	-	5	7 1/2	5	5	34	4	88	14	8	
March 4.	-	-	-	-	-	-	5	7 1/2	5	5	34	4	87 1/2	14	10	
11.	-	-	-	-	-	-	5	7 1/2	5	5	34	4	87	14	10	
18.	-	-	-	-	-	-	5	7 1/2	5	5	34	4	87 1/2	14	10	
25.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	10	
April 1.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	10	
8.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	10	
15.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	10	
22.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	10	
29.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	10	
May 6.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	10	
13.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	10	
20.	-	-	-	-	-	-	5	8	5	5 1/2	34	3	88	14	9	
27.	-	-	-	-	-	-	5	8	5	5 1/2	34	1	88	14	9	
June 3.	-	-	-	-	-	-	5	8	5	5 1/2	34	1	88	14	9	
10.	-	-	-	-	-	-	5	8	5	5 1/2	34	2	88	14	9	
17.	-	-	-	-	-	-	5	8	5	5 1/2	34	3	88	14	9	
24.	-	-	-	-	-	-	5	8	5	5 1/2	34	3	88	14	11	
July 1.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	12	
8.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	12	
15.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	12	
22.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	12	
29.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	12	
August 5.	-	-	-	-	-	-	5	8	5	5 1/2	34	4	88	14	12	
12.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
19.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
26.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
Sept. 2.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
9.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
16.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
23.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
30.	-	-	-	-	-	-	5	8	5	5 1/2	34	5	88	14	11	
October 7.	-	-	-	-	-	-	5	7	5	4 1/2	34	5	88 1/2	14	10	
14.	-	-	-	-	-	-	5	7	5	4 1/2	34	5	88	14	10	
21.	-	-	-	-	-	-	5	7	5	4 1/2	34	5	88	14	10	
28.	-	-	-	-	-	-	5	7 1/2	5	5	34	10	88	14	7	
Nov. 4.	-	-	-	-	-	-	5	7 1/2	5	5	34	10	88	14	10	
11.	-	-	-	-	-	-	5	7 1/2	5	5	34	7	88	14	14	
18.	-	-	-	-	-	-	5	7 1/2	5	5	34	8	88	14	16	
25.	-	-	-	-	-	-	5	7 1/2	5	5	34	10	88	14	16	
Dec. 2.	-	-	-	-	-	-	5	8	5	5 1/2	34	10	88	14	16	
9.	-	-	-	-	-	-	5	8	5	5 1/2	34	10	88	14	16	
16.	-	-	-	-	-	-	5	8	5	5 1/2	34	10	88	14	16	
23.	-	-	-	-	-	-	5	8	5	5 1/2	34	10	88	14	16	
30.	-	-	-	-	-	-	5	8	5	5 1/2	34	10	88	14	16	
1864:																
January 6.	-	-	-	-	-	-	5	8 1/2	5	6	35	5	89	15	10	
13.	-	-	-	-	-	-	5	8	5	6	34	8	89	15	10	
20.	-	-	-	-	-	-	5	8	5	6	34	8	89	15	10	
27.	-	-	-	-	-	-	5	8	5	6	34	8	89	15	10	

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD on Day, per ounce.			Price of Foreign GOLD in Ounces, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange with Hamburg, 25 Marins.	Course of Exchange with London.	Course of Exchange with Paris.		
1861:	£.	s.	d.	£.	s.	d.	£.	s.	£.	s.					
February 3	-	-	-	-	-	-	-	-	5	7	34	8	6s	24	14
10	-	-	-	-	-	-	-	-	5	7	34	0	6s	24	14
17	-	-	-	-	-	-	-	-	5	7	34	4	6s	24	14
24	-	-	-	-	-	-	-	-	5	7	34	8	6s	24	14
March 3	-	-	-	-	-	-	-	-	5	7	35	0	6s	24	18
9	-	-	-	-	-	-	-	-	5	7	35	0	6s½	24	18
16	-	-	-	-	-	-	-	-	5	7	35	0	6s	25	2
23	-	-	-	-	-	-	-	-	5	7	35	4	6s	25	2
30	-	-	-	-	-	-	-	-	5	7	35	0	6s½	25	4
April 6	-	-	-	-	-	-	-	-	5	0	35	10	6s	25	4
13	4	0	0	4	0	0	-	-	5	0	35	10	6s	25	0
20	4	0	0	4	0	0	-	-	5	0	35	8	6s	25	0
27	-	-	-	-	-	-	-	-	-	-	35	0	6s	25	0
May 4	-	-	-	-	-	-	-	-	-	-	35	0	6s	25	0
11	4	0	0	4	0	0	-	-	5	0	35	11	6s½	25	7
18	4	0	0	4	0	0	-	-	5	5	35	3	6s	25	10
25	4	0	0	4	0	0	-	-	5	5	35	3	6s	25	10
June 1	4	0	0	4	0	0	-	-	5	5	35	0	6s½	25	8
8	4	0	0	4	0	0	-	-	5	4½	35	4	6s	25	8
15	4	0	0	4	0	0	-	-	5	4	35	4	6s½	25	8
22	4	0	0	4	0	0	-	-	5	4	35	0	6s	25	8
29	4	0	0	4	0	0	-	-	5	3½	35	11	6s	25	8
July 6	4	0	0	4	0	0	-	-	5	3½	35	8	6s½	25	0
13	-	-	-	-	-	-	-	-	-	-	35	7	6s	25	4
20	4	0	0	4	0	0	-	-	5	3½	35	8	6s	25	4
27	-	-	-	-	-	-	-	-	-	-	35	8	6s	25	4
August 3	4	0	0	4	0	0	-	-	5	3½	35	8	6s½	25	4
10	-	-	-	-	-	-	-	-	-	-	35	8	6s½	25	4
17	-	-	-	-	-	-	-	-	-	-	35	10	6s	25	4
24	-	-	-	-	-	-	-	-	-	-	35	10	6s	25	4
31	4	0	0	4	0	0	-	-	5	1½	35	10	6s	25	4
Sept. 7	4	0	0	4	0	0	-	-	5	1½	35	10	6s	25	4
14	4	0	0	4	0	0	-	-	5	1½	35	10	6s½	25	8
21	4	0	0	4	0	0	-	-	5	1½	35	5	6s	25	8
28	4	0	0	4	0	0	-	-	5	1½	35	7	6s½	25	8
October 5	4	0	0	4	0	0	-	-	5	1½	35	5	6s½	25	4
12	4	0	0	4	0	0	-	-	5	1	35	5	6s	25	8
19	4	0	0	4	0	0	-	-	5	0	35	8	6s	25	8
26	4	0	0	4	0	0	-	-	5	0	35	3	6s½	25	4
Nov. 3	4	0	0	4	0	0	-	-	5	0	35	0	6s½	25	4
9	4	0	0	4	0	0	-	-	5	0	35	0	6s	25	4
16	-	-	-	-	-	-	-	-	-	-	35	0	6s	25	4
23	4	0	0	4	0	0	-	-	5	0	35	0	6s	25	6
30	4	0	0	4	0	0	5	5	5	3	35	0	6s	25	0
Dec. 7	4	0	0	4	0	0	5	5	5	3	35	5	6s	25	0
14	4	0	0	4	0	0	5	5	5	3	35	5	6s	25	0
21	4	0	0	4	0	0	5	5	5	4	35	0	6s	25	0
28	4	0	0	4	0	0	-	-	5	4	35	0	6s½	25	0
1862:															
January 5	4	0	0	4	0	0	-	-	5	4	35	0	6s	25	8
12	4	0	0	4	0	0	-	-	5	4	35	0	6s	25	8
19	4	0	0	4	0	0	-	-	5	4	35	0	6s	25	10
26	4	0	0	4	0	0	-	-	5	3½	35	0	6s	25	10
February 3	4	0	0	4	0	0	-	-	-	-	35	4	6s	25	10
10	-	-	-	-	-	-	-	-	-	-	35	4	6s½	25	10
17	4	0	0	4	0	0	-	-	5	4	35	7	6s	25	12
24	4	0	0	4	0	0	-	-	5	4	35	8	6s	25	12

(14.)—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Bars, per ounce.			Price of Standard SILVER, per ounce.			Price of Spanish DOLLARS, per ounce.			Course of Exchange with Hamburg, &c. Unites.			Course of Exchange with London.			Course of Exchange with Paris.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
1855:																					
March - 5.	4	0	0	4	0	0	-	-	-	5	4		35	8		60			25	14	
12.	4	0	0	4	0	0	-	-	-	5	4		35	8		60			25	14	
19.	-	-	-	-	-	-	-	-	-	-	-		35	8		60			25	14	
26.	4	0	0	4	0	0	-	-	-	5	3		35	8		60			25	14	
April - 2.	-	-	-	-	-	-	-	-	-	-	-		35	8		60			25	14	
9.	4	0	0	4	0	0	-	-	-	5	3		35	4		59			25	13	
16.	4	0	0	4	0	0	-	-	-	5	3		35	4		59			25	13	
23.	4	0	0	4	0	0	-	-	-	5	3		35	4		59			25	13	
30.	4	0	0	4	0	0	-	-	-	5	3		35	4		59			25	13	
May - 7.	4	0	0	4	0	0	-	-	-	5	3		35	4		59			25	13	
14.	4	0	0	4	0	0	-	-	-	5	1		35	4		59			25	14	
21.	4	0	0	4	0	0	-	-	-	5	1		35	4		59			25	14	
28.	4	0	0	4	0	0	-	-	-	5	1		35	4		59			25	14	
June - 4.	4	0	0	4	0	0	-	-	-	5	1		35	7		60			25	15	
11.	4	0	0	4	0	0	-	-	-	5	1		35	8		60			25	15	
18.	-	-	-	-	-	-	-	-	-	-	-		35	8		60			25	15	
25.	4	0	0	4	0	0	-	-	-	5	1		35	8		60			25	15	
July - 2.	4	0	0	-	-	-	-	-	-	5	3		35	8		60			25	15	
9.	4	0	0	4	0	0	-	-	-	5	3		35	8		60			25	15	
16.	-	-	-	-	-	-	-	-	-	-	-		35	7		60			25	15	
23.	4	0	0	4	0	0	-	-	-	5	2		35	6		60			25	13	
30.	4	0	0	4	0	0	-	-	-	5	2		35	6		60			25	13	
August 6.	-	-	-	-	-	-	-	-	-	-	-		35	6		60			25	13	
13.	-	-	-	-	-	-	-	-	-	-	-		35	4		60			25	13	
20.	4	0	0	4	0	0	-	-	-	5	3		35	4		60			25	13	
27.	4	0	0	4	0	0	-	-	-	5	3 1/2		35	5		60			25	13	
Sept. - 3.	4	0	0	4	0	0	-	-	-	-	-		35	5		60			25	13	
10.	-	-	-	-	-	-	-	-	-	-	-		35	3		60			25	12	
17.	4	0	0	4	0	0	5	7		5	5		35	1		60			25	10	
24.	4	0	0	4	0	0	-	-	-	5	5		34	8		60			25	10	
October 1.	4	0	0	4	0	0	-	-	-	5	5		34	9		60			25	10	
8.	4	0	0	4	0	0	-	-	-	5	5		34	9		60			24	17	
15.	4	0	0	4	0	0	-	-	-	5	5		33	9		60			24	13	
22.	-	-	-	-	-	-	-	-	-	-	-		33	9		60			24	13	
29.	-	-	-	-	-	-	-	-	-	5	6		33	10		60			25	10	
Nov. - 5.	-	-	-	-	-	-	-	-	-	5	6		33	9		60			25	4	
12.	-	-	-	-	-	-	-	-	-	5	6		33	9		60			25	4	
19.	-	-	-	-	-	-	-	-	-	-	-		33	9		60			25	4	
26.	-	-	-	-	-	-	5	9 1/2		5	7		33	9		60			25	4	
Dec. - 3.	-	-	-	-	-	-	5	10		5	7 1/2		33	9		60			25	4	
10.	-	-	-	-	-	-	-	-	-	-	-		33	10		60			25	4	
17.	-	-	-	-	-	-	-	-	-	5	8		33	1		60			25	4	
24.	-	-	-	-	-	-	-	-	-	-	-		33	10		60			25	4	
31.	-	-	-	-	-	-	-	-	-	-	-		33	10		60			25	4	
1856:																					
Jan. - 7.	-	-	-	-	-	-	-	-	-	-	-		33	8		60			25	13	
14.	-	-	-	-	-	-	-	-	-	-	-		33	8		60			25	13	
21.	-	-	-	-	-	-	-	-	-	5	6		34	4		60			25	12	
28.	-	-	-	-	-	-	-	-	-	5	6		34	0		60			25	12	
February 4.	-	-	-	-	-	-	-	-	-	-	-		34	6		60			25	12	
11.	-	-	-	-	-	-	-	-	-	-	-		34	6		60			25	8	
18.	-	-	-	-	-	-	-	-	-	-	-		34	3		60			25	8	
25.	-	-	-	-	-	-	-	-	-	-	-		34	5		60			24	13	
March - 4.	-	-	-	-	-	-	-	-	-	5	6		34	5		60			24	13	
11.	-	-	-	-	-	-	-	-	-	5	6		34	5		60			24	13	
18.	-	-	-	-	-	-	-	-	-	-	-		33	11		60			24	13	
25.	-	-	-	-	-	-	-	-	-	5	6 1/2		34	4		60			24	13	

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Coins, per ounce.	Price of Standard SILVER, per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Hongkong, 100 to 100.	Course of Exchange with London.	Course of Exchange with Paris.
1866:	£. s. d.	£. s. d.	£. s. d.	£. s. d.			
April - 1.	-	-	-	5 6 $\frac{1}{2}$	34 4	60	34 12
8.	-	-	-	5 6 $\frac{1}{2}$	34 4	60	34 12
15.	-	-	-	-	34 4	60	34 12
22.	-	-	-	-	33 10	60	34 10
29.	-	-	-	5 6 $\frac{1}{2}$	33 10	60 $\frac{1}{2}$	34 8
May - 6.	-	-	-	5 6 $\frac{1}{2}$	33 10	60 $\frac{1}{2}$	34 8
13.	-	-	-	-	33 10	60 $\frac{1}{2}$	34 8
20.	-	-	-	-	33 10	60 $\frac{1}{2}$	34 8
27.	-	-	-	5 6 $\frac{1}{2}$	34 1	60 $\frac{1}{2}$	34 8
June - 3.	-	-	-	5 6 $\frac{1}{2}$	34 1	60 $\frac{1}{2}$	34 7
10.	-	-	-	5 6 $\frac{1}{2}$	34 2	60 $\frac{1}{2}$	34 7
17.	-	-	-	-	34 3	60 $\frac{1}{2}$	34 7
24.	-	-	-	5 6	34 3	60 $\frac{1}{2}$	34 7
July - 1.	-	-	-	5 6	34 5	60 $\frac{1}{2}$	34 7
8.	-	-	-	-	34 5	60 $\frac{1}{2}$	34 7
15.	-	-	-	-	34 5	61	34 7
22.	-	-	-	5 6	34 5	61	34 7
29.	-	-	-	5 6	34 5	61	34 7
Aug. - 5.	-	-	-	-	34 5	61	34 7
12.	-	-	-	-	34 5	61 $\frac{1}{2}$	34 7
19.	-	-	-	5 6	34 5	61 $\frac{1}{2}$	34 7
26.	-	-	-	-	33 5	61 $\frac{1}{2}$	34 7
Sept. - 2.	-	-	-	5 6	34 4	61 $\frac{1}{2}$	34 6
9.	-	-	-	5 6	34 3	61 $\frac{1}{2}$	34 6
16.	-	-	-	-	34 3	61 $\frac{1}{2}$	34 6
23.	-	-	-	5 4	34 1	61 $\frac{1}{2}$	34 6
30.	-	-	-	-	34 0	61 $\frac{1}{2}$	34 6
Oct. - 7.	-	-	-	-	34 0	61 $\frac{1}{2}$	34 6
14.	-	-	-	5 6	33 6	61 $\frac{1}{2}$	34 6
21.	-	-	-	5 6	33 5	61 $\frac{1}{2}$	34 6
28.	-	-	-	-	33 5	61	34 6
Nov. - 4.	-	-	-	-	33 10	61	34 6
11.	-	-	-	-	34 4	61	34 6
18.	-	-	-	5 5 $\frac{1}{2}$	34 6	61	34 6
25.	-	-	-	5 5 $\frac{1}{2}$	34 6	61	34 6
Dec. - 2.	-	-	-	5 5 $\frac{1}{2}$	34 8	61	34 6
9.	-	-	-	5 5 $\frac{1}{2}$	34 8	61	34 6
16.	-	-	-	5 5 $\frac{1}{2}$	34 8	61	34 6
23.	-	-	-	5 5 $\frac{1}{2}$	34 8	61	34 6
30.	-	-	-	5 5 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
1867:							
Jan. - 6.	-	-	-	5 5 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
13.	-	-	-	5 5 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
20.	-	-	-	5 5 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
27.	-	-	-	5 5 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
Feb. - 3.	-	-	-	5 6 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
10.	-	-	-	5 6 $\frac{1}{2}$	34 8	61 $\frac{1}{2}$	34 6
17.	-	-	-	-	34 10	61	34 6
March - 6.	-	-	-	5 6 $\frac{1}{2}$	34 10	61	34 6
13.	-	-	-	-	34 10	61	34 6
20.	-	-	-	5 6 $\frac{1}{2}$	34 10	61	34 6
27.	-	-	-	-	34 10	61 $\frac{1}{2}$	34 6
April - 3.	-	-	-	-	34 10	61 $\frac{1}{2}$	34 6
10.	-	-	-	-	34 10	61 $\frac{1}{2}$	34 6
17.	-	-	-	-	34 10	61 $\frac{1}{2}$	34 6
24.	-	-	-	-	34 10	61	34 6
31.	-	-	-	5 6	34 10	61	34 6

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Coins, per ounce.			Price of Standard SILVER, per ounce.			Price of Spanish DOLLARS, per ounce.			Course of Exchange with Hongkong, & Canton.			Course of Exchange with India.			Course of Exchange with Persia.		
1867:	£.	s.	d.	£.	s.	d.	s.	d.	s.	s.	d.	s.	s.	d.	s.	s.	d.	s.	s.	d.	s.
May - 5.	-	-	-	-	-	-	-	-	-	5	5	-	34	10	-	65	-	-	24	10	-
12.	-	-	-	-	-	-	-	-	-	5	5	-	34	10	-	65	-	-	24	10	-
19.	-	-	-	-	-	-	-	-	-	5	5	-	34	10	-	65	-	-	24	10	-
26.	-	-	-	-	-	-	-	-	-	5	5	-	34	10	-	65	-	-	24	10	-
June - 2.	-	-	-	-	-	-	-	-	-	-	-	-	34	10	-	65	-	-	24	10	-
9.	-	-	-	-	-	-	-	-	-	5	5	-	34	8	-	65	-	-	24	10	-
16.	-	-	-	-	-	-	-	-	-	-	-	-	34	8	-	64½	-	-	24	10	-
23.	-	-	-	-	-	-	-	-	-	-	-	-	34	8	-	64	-	-	24	10	-
30.	-	-	-	-	-	-	-	-	-	5	5	-	34	8	-	64	-	-	24	10	-
July - 7.	-	-	-	-	-	5	6	-	-	5	5	-	34	3	-	63½	-	-	24	10	-
14.	-	-	-	-	-	-	-	-	-	-	-	-	34	5	-	63½	-	-	24	6	-
21.	-	-	-	-	-	-	-	-	-	-	-	-	34	8	-	63½	-	-	24	6	-
28.	-	-	-	-	-	-	-	-	-	-	-	-	34	8	-	64½	-	-	24	8	-
Aug. - 4.	-	-	-	-	-	-	-	-	-	5	5	-	34	8	-	64½	-	-	24	8	-
11.	-	-	-	-	-	-	-	-	-	-	-	-	34	8	-	64	-	-	24	8	-
18.	-	-	-	-	-	-	-	-	-	-	-	-	34	4	-	64	-	-	24	6	-
25.	-	-	-	-	-	-	-	-	-	5	5	-	34	3	-	64½	-	-	24	6	-
Sept. - 1.	-	-	-	-	-	-	-	-	-	5	5	-	34	3	-	64½	-	-	24	6	-
8.	-	-	-	-	-	-	-	-	-	5	5	-	34	3	-	64	-	-	24	6	-
15.	-	-	-	-	-	-	-	-	-	5	5	-	34	3	-	64	-	-	24	6	-
22.	-	-	-	-	-	-	-	-	-	5	5	-	34	3	-	64	-	-	24	6	-
29.	-	-	-	-	-	-	-	-	-	-	-	-	34	3	-	64	-	-	24	6	-
Oct. - 6.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	6	-
13.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	6	-
20.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	6	-
27.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	6	-
Nov. - 3.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	12	-
10.	-	-	-	-	-	-	-	-	-	-	-	-	34	4	-	64	-	-	24	12	-
17.	-	-	-	-	-	-	-	-	-	-	-	-	34	4	-	64	-	-	24	6	-
24.	-	-	-	-	-	-	-	-	-	-	-	-	34	4	-	64	-	-	24	6	-
Dec. - 1.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	6	-
8.	-	-	-	-	-	-	-	-	-	5	5	-	34	4	-	64	-	-	24	6	-
15.	-	-	-	-	-	-	-	-	-	5	4½	-	34	4	-	64	-	-	24	6	-
22.	-	-	-	-	-	-	-	-	-	5	4½	-	34	4	-	64	-	-	24	6	-
29.	-	-	-	-	-	-	-	-	-	5	4½	-	34	4	-	64	-	-	24	6	-
1868:																					
Jan. - 1.	-	-	-	-	-	-	-	-	-	-	-	-	34	4	-	64	-	-	24	6	-
8.	-	-	-	-	-	-	-	-	-	5	4½	-	34	4	-	64	-	-	24	6	-
15.	-	-	-	-	-	-	-	-	-	5	4½	-	34	4	-	64	-	-	24	6	-
22.	-	-	-	-	-	-	-	-	-	5	3	-	34	4	-	64	-	-	24	6	-
29.	-	-	-	-	-	-	-	-	-	5	3	-	34	4	-	64	-	-	24	6	-
Feb. - 5.	-	-	-	-	-	-	-	-	-	5	3	-	34	4	-	64	-	-	24	6	-
12.	-	-	-	-	-	-	-	-	-	5	3	-	34	4	-	64	-	-	24	6	-
19.	-	-	-	-	-	-	-	-	-	5	3	-	34	4	-	64	-	-	24	6	-
26.	-	-	-	-	-	-	-	-	-	5	3	-	34	4	-	64	-	-	24	6	-
March - 5.	-	-	-	-	-	-	-	-	-	-	-	-	34	6	-	64	-	-	24	9	-
12.	-	-	-	-	-	-	-	-	-	-	-	-	34	6	-	64	-	-	24	9	-
19.	-	-	-	-	-	-	-	-	-	-	-	-	34	6	-	64	-	-	24	9	-
26.	-	-	-	-	-	-	-	-	-	-	-	-	34	6	-	64	-	-	24	9	-
April - 2.	-	-	-	-	-	-	-	-	-	-	-	-	34	6	-	64	-	-	24	9	-
9.	-	-	-	-	-	-	-	-	-	5	3	-	34	6	-	64	-	-	24	9	-
16.	-	-	-	-	-	-	-	-	-	5	3	-	34	6	-	64	-	-	24	10	-
23.	-	-	-	-	-	-	-	-	-	-	-	-	34	9	-	64	-	-	24	16	-
30.	-	-	-	-	-	-	-	-	-	-	-	-	34	9	-	64	-	-	24	16	-
May - 6.	-	-	-	-	-	-	-	-	-	5	3	-	34	9	-	64	-	-	24	16	-
13.	-	-	-	-	-	-	-	-	-	5	3	-	34	9	-	64	-	-	24	16	-
20.	-	-	-	-	-	-	-	-	-	5	3	-	34	9	-	64	-	-	24	16	-
27.	-	-	-	-	-	-	-	-	-	5	3	-	34	9	-	64	-	-	24	16	-

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

—	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Coins, per ounce.			Price of Standard SILVER, per ounce.			Price of Gold, EXCHANGE, per ounce.		Course of Exchange with Hamburg, 14 Discount.		Course of Exchange with London.		Course of Exchange with Paris.	
1899:	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.						
July - 4	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
11.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
18.	-	-	-	-	-	-	-	-	-	56	10	57	0	57	0	50	1
25.	-	-	-	-	-	-	-	-	-	56	4	58	0	58	0	50	1
August 1.	-	-	-	-	-	-	-	-	-	57	4	58	0	58	0	50	1
8.	-	-	-	-	-	-	-	-	-	57	4	58	0	58	0	50	1
15.	-	-	-	-	-	-	-	-	-	56	4	58	0	58	0	50	1
22.	-	-	-	-	-	-	-	-	-	56	4	57	0	57	0	50	1
29.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
Sept. - 5.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
12.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
19.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
26.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
October 3.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
10.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
17.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
24.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
31.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
Nov. - 7.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
14.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
21.	-	-	-	-	-	-	-	-	-	56	10	57	0	57	0	50	1
28.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
Dec. - 5.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
12.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
19.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
26.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
1900:																	
January 2.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
9.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
16.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
23.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
30.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
February 6.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
13.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
20.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
27.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
March - 6.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
13.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
20.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
27.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
April - 3.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
10.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
17.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
24.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
May - 1.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
8.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
15.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
22.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
29.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
June - 5.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
12.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
19.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
26.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
July - 3.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
10.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
17.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
24.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1
31.	-	-	-	-	-	-	-	-	-	56	0	57	0	57	0	50	1

(Continued.)

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Ounces, per ounce.	Price of Foreign GOLD in Ounces, per ounce.	Price of Standard SILVER, per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Hamburg, 2½ Unions.	Course of Exchange with London.	Course of Exchange with Paris.
1880:	£. s. d.	£. s. d.	s. d.	s. d.			
Aug. - 7.	- - -	- - -	- - -	- - -	30 6	68	21 4
14.	- - -	- - -	- - -	- - -	30 6	68	21 4
21.	- - -	- - -	- - -	5 8 ½	30 9	68	21 6
28.	- - -	- - -	- - -	5 8 ½	30 9	68	21 6
Sept. - 4.	- - -	- - -	- - -	- - -	31 0	68	21 6
11.	- - -	- - -	- - -	5 8 ½	31 0	68	21 6
18.	- - -	- - -	- - -	5 8 ½	31 6	68	21 8
25.	- - -	- - -	- - -	5 8 ½	31 9	67 ½	21 8
Oct. - 1.	- - -	- - -	- - -	5 8 ½	31 6	67	21 8
8.	4 5 0	- - -	- - -	5 8 ½	31 0	67	21 8
15.	4 5 0	- - -	- - -	5 8 ½	30 10	67	21 8
22.	- - -	- - -	- - -	- - -	30 9	67	20 10
29.	- - -	- - -	- - -	- - -	30 9	65	20 10
Nov. - 6.	4 4 8	- - -	- - -	5 9	29 4	64	20 6
13.	- - -	- - -	- - -	- - -	29 6	64	20 6
20.	- - -	- - -	- - -	- - -	29 6	64	20 6
27.	- - -	- - -	- - -	- - -	29 6	64	20 6
Dec. - 7.	- - -	- - -	- - -	- - -	29 6	64	20 6
14.	- - -	- - -	- - -	5 8 ½	29 6	64	20 6
21.	- - -	- - -	- - -	- - -	29 6	64	20 6
28.	- - -	- - -	- - -	5 8 ½	29 6	65 ½	20 8
1881:							
Jan. - 1.	- - -	- - -	- - -	- - -	29 6	66	19 8
8.	- - -	- - -	- - -	5 9	29 6	66	19 8
15.	- - -	- - -	- - -	5 9	29 8	66 ½	19 8
22.	4 7 6	- - -	5 11 ½	5 10	29 0	66	19 4
29.	- - -	- - -	5 11 ½	5 10	29 0	66 ½	19 4
Feb. - 5.	- - -	- - -	5 11 ½	5 10	29 6	66 ½	17 16
12.	4 19 0	- - -	5 11 ½	5 10 ½	29 0	67	17 16
19.	- - -	- - -	5 11 ½	- - -	29 0	67	17 16
26.	- - -	4 19 6	- - -	5 11	29 0	67 ½	17 16
March - 5.	- - -	- - -	- - -	- - -	24 0	67 ½	17 16
12.	- - -	- - -	- - -	- - -	24 0	67	17 16
19.	- - -	- - -	- - -	- - -	24 0	67	17 16
26.	4 16 0	- - -	6 2	- - -	23 6	67 ½	17 6
April - 2.	- - -	- - -	6 2	6 0	23 6	67 ½	17 6
9.	- - -	- - -	6 2	- - -	23 6	67	17 6
16.	- - -	- - -	6 2	6 0	23 6	67	17 6
23.	- - -	- - -	6 1	5 11	24 0	69	17 16
30.	- - -	- - -	6 1	5 11	24 0	69	17 16
May - 7.	- - -	4 16 0	6 1	5 11	24 0	69	17 16
14.	- - -	4 16 0	6 1	- - -	24 0	69	17 16
21.	- - -	- - -	6 0 ½	5 10 ½	24 0	68 ½	17 16
28.	- - -	- - -	6 0 ½	5 10 ½	24 0	67 ½	17 16
June - 4.	- - -	- - -	6 1	5 11	24 0	67 ½	17 16
11.	- - -	- - -	6 1	5 11	24 0	67 ½	17 16
18.	- - -	- - -	6 1	5 11	24 0	68	17 16
25.	- - -	- - -	6 1	5 11	24 0	68	17 16
July - 5.	- - -	4 15 0	6 1	5 11	25 6	68	18 0
12.	- - -	4 15 0	6 0 ½	5 10 ½	25 6	68	18 0
19.	- - -	- - -	6 0 ½	5 10 ½	25 6	68	18 0
26.	- - -	- - -	6 0 ½	5 10 ½	25 6	67 ½	18 0
Aug. - 2.	- - -	- - -	- - -	6 0	25 6	67 ½	18 0
9.	- - -	4 17 6	- - -	6 0	25 6	67 ½	18 0
16.	- - -	4 17 0	- - -	6 0	25 6	67 ½	18 0
23.	- - -	- - -	6 0	6 0	25 6	67 ½	18 0
30.	- - -	4 17 6	6 1	6 0	25 6	67 ½	18 0

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Bars, per ounce.			Price of Standard SILVER, per ounce.		Price of Spanish DOLLARS, per ounce.		Course of Exchange with Hongkong, & Canton.		Course of Exchange with India.		Course of Exchange with Persia.	
	£.	s.	d.	£.	s.	d.	£.	s.	£.	s.	£	s.	£	s.	£	s.
1811:																
Sept. - 6.	-	-	-	4 18 6	-	-	-	-	5 11	-	26 0		67 ½		13 ½	
13.	-	-	-	4 18 6	-	-	-	-	5 11	-	26 6		67 ½		13 ½	
20.	-	-	-	4 18 6	-	-	-	-	5 11	-	26 6		67 ½		13 ½	
27.	-	-	-	4 17 0	-	-	-	-	5 0	-	26 6		67 ½		13 ½	
Oct. - 4.	-	-	-	4 17 0	-	-	-	-	5 0	-	26 0		67 ½		13 ½	
11.	-	-	-	4 17 6	-	-	-	-	5 0	-	26 0		68		13 ½	
18.	-	-	-	4 18 6	-	-	-	-	5 1	-	26 0		68		13 ½	
25.	4 18 0	-	-	4 18 0	-	-	-	-	5 1	-	26 0		68		13 ½	
Nov. - 1.	4 18 0	-	-	4 18 0	-	-	-	-	5 1	-	26 0		68		13 ½	
8.	4 19 0	-	-	4 19 0	-	-	-	-	5 1	-	24 0		68		13 ½	
15.	4 19 6	-	-	4 19 6	-	-	-	-	5 1	-	24 0		68		13 ½	
22.	-	-	-	-	-	-	-	-	5 1	-	24 0		68		13 ½	
29.	-	-	-	-	-	-	-	-	5 1	-	24 6		68		13 ½	
Dec. - 6.	4 18 6	-	-	4 18 6	-	-	-	-	5 1	-	24 6		68		13 ½	
13.	-	-	-	-	-	-	-	-	5 1	-	24 0		68		13 ½	
20.	-	-	-	4 19 0	-	-	-	-	5 1	-	24 0		68		13 ½	
27.	-	-	-	4 19 0	-	-	-	-	5 1	-	26 0		68 ½		13 ½	
1812:																
Jan. - 3.	-	-	-	4 18 6	-	-	-	-	5 1	-	27 6		68		13 ½	
10.	-	-	-	-	-	-	-	-	5 1	-	26 6		68		13 ½	
17.	-	-	-	4 19 0	-	-	-	-	5 1	-	27 6		68		13 ½	
24.	-	-	-	-	-	-	-	-	5 1	-	27 6		68		13 ½	
31.	4 18 6	-	-	4 18 6	-	-	-	-	5 1	-	27 6		68		13 ½	
Feb. - 7.	-	-	-	4 18 0	-	-	-	-	5 1	-	27 6		68		13 ½	
14.	4 17 6	-	-	4 17 6	-	-	-	-	5 1	-	27 6		68		13 ½	
21.	-	-	-	4 17 0	-	-	-	-	5 1	-	26 0		68		13 ½	
28.	4 15 0	-	-	4 15 6	-	-	-	-	5 1	-	26 0		68		13 ½	
March - 6.	-	-	-	-	-	-	-	-	5 1	-	26 0		68		13 ½	
13.	-	-	-	4 16 0	-	-	-	-	5 1	-	26 0		68		13 ½	
20.	-	-	-	4 15 6	-	-	-	-	5 1	-	26 0		67 ½		13 ½	
27.	-	-	-	-	-	-	-	-	5 1 ½	-	26 4		67 ½		13 ½	
April - 3.	-	-	-	4 13 6	-	-	-	-	5 1	-	26 4		67 ½		13 ½	
10.	-	-	-	-	-	-	-	-	5 1 ½	-	26 4		67 ½		13 ½	
17.	-	-	-	4 17 6	-	-	6 4 ½	-	5 2	-	26 4		68		13 ½	
24.	-	-	-	4 17 6	-	-	-	-	5 2	-	26 4		68		13 ½	
May - 1.	-	-	-	-	-	-	-	-	5 2	-	26 4		68		13 ½	
8.	-	-	-	4 16 6	-	-	-	-	5 2 ½	-	26 4		68		13 ½	
15.	-	-	-	4 17 0	-	-	-	-	5 2	-	26 4		68		13 ½	
22.	4 17 0	-	-	4 17 0	-	-	6 4	-	5 2	-	26 0		68		13 ½	
29.	4 17 6	-	-	4 18 0	-	-	6 4	-	5 2	-	26 0		68		13 ½	
June - 5.	-	-	-	4 18 6	-	-	6 4	-	5 2 ½	-	26 6		68		13 ½	
12.	-	-	-	4 19 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
19.	-	-	-	4 19 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
26.	4 18 6	-	-	4 19 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
July - 3.	-	-	-	4 19 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
10.	-	-	-	4 19 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
17.	-	-	-	4 19 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
24.	-	-	-	-	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
31.	-	-	-	5 0 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
Aug. - 7.	-	-	-	-	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
14.	-	-	-	-	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
21.	-	-	-	-	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
28.	-	-	-	-	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
Sept. - 4.	-	-	-	5 5 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
11.	-	-	-	5 8 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
18.	-	-	-	5 11 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	
25.	-	-	-	5 11 0	-	-	-	-	5 2 ½	-	26 6		68		13 ½	

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

		Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Bars, per ounce.	Price of Standard SILVER, per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Hongkong, 14/6 months.	Course of Exchange with India.	Course of Exchange with Peru.
1879:		£. s. d.	£. s. d.	s. d.	s. d.			
Oct.	1.	5 7 0	5 8 0	-	0 6	28 0	69 1/2	18 05
	3.	-	5 8 0	-	0 5	27 6	69 1/2	18 10
	10.	-	-	-	0 5	27 0	69 1/2	18 10
	13.	-	-	-	0 6	27 0	69 1/2	18 0
	20.	-	5 8 0	-	0 6	27 0	69 1/2	18 0
Nov.	3.	-	5 8 0	-	-	26 0	69 1/2	18 00
	13.	-	5 8 0	-	0 6	27 0	69 1/2	18 40
	20.	-	5 8 0	6 7	0 6	26 0	69 1/2	18 30
	27.	-	5 8 0	-	0 6	26 0	69 1/2	18 30
Dec.	4.	5 6 0	5 7 0	-	-	27 0	69 1/2	18 30
	11.	-	5 7 0	-	-	27 6	70	18 25
	18.	-	5 7 0	-	-	27 6	71	18 55
	25.	-	5 7 0	-	0 6	27 6	71	18 55
	31.	-	-	-	0 6	28 0	71	18 55
1880:								
Jan.	1.	-	5 6 0	-	0 6	28 0	71 1/2	18 55
	8.	-	5 6 0	-	0 6	28 0	71 1/2	18 55
	15.	-	5 6 0	-	0 6	28 0	71 1/2	18 55
	22.	5 4 0	5 5 0	-	0 6	29 0	72	19 30
	29.	-	5 5 0	6 7 1/2	-	29 6	74	19 50
Feb.	5.	-	5 5 0	-	0 6	29 6	74	19 50
	12.	-	-	-	0 6	30 0	75	20 50
	19.	-	5 4 0	6 7 1/2	0 6	30 6	76	20 50
	26.	-	-	-	0 6	30 0	76	20 50
March.	5.	-	5 3 0	-	0 6	30 0	76	20 50
	12.	-	5 3 0	-	-	30 0	76	20 50
	19.	-	5 3 0	-	0 8	29 6	76	20 0
	26.	-	-	-	0 7	30 0	75	20 00
April.	2.	4 18 0	-	-	0 7	30 0	75	20 50
	9.	4 19 6	-	-	0 7	29 6	75 1/2	20 50
	16.	-	-	-	0 8	30 0	76	20 50
	23.	-	5 2 0	6 10	0 7 1/2	29 0	76	20 50
	30.	-	5 3 0	6 10	-	29 0	76	20 50
May.	7.	-	-	-	-	27 0	76	20 50
	14.	-	5 2 0	6 10	0 8	26 0	76	20 30
	21.	5 3 0	5 3 0	6 10	0 8 1/2	26 0	76	20 30
	28.	-	5 3 0	6 10	0 8 1/2	27 0	76	20 30
June.	4.	5 3 0	5 3 0	6 9 1/2	0 8 1/2	27 0	76	19 50
	11.	-	5 3 0	-	0 8 1/2	27 0	76	19 50
	18.	5 2 0	5 3 0	6 9 1/2	0 8 1/2	26 6	76	19 30
	25.	5 3 0	-	-	-	26 6	76	19 30
July.	2.	5 5 0	5 4 0	-	0 9	26 6	76	18 50
	9.	-	-	-	0 9	26 6	76	19 30
	16.	5 0 0	5 8 0	-	0 10	26 0	76 1/2	19 30
	23.	5 0 0	-	-	-	26 0	77 1/2	19 30
	30.	-	5 11 0	-	7 0	26 0	77 1/2	19 30
Aug.	6.	5 10 0	-	-	-	26 0	77 1/2	18 50
	13.	-	5 11 0	-	7 0	26 0	77 1/2	18 50
	20.	-	-	-	7 0 1/2	26 0	77 1/2	18 50
	27.	-	-	-	7 0	26 0	78	18 50
Sept.	3.	-	-	-	-	26 0	78	18 50
	10.	-	-	-	0 11	26 6	78	18 50
	17.	5 8 0	5 9 0	-	0 11	26 6	78	18 50
	24.	-	-	-	0 11	26 6	78	18 50
Oct.	1.	5 8 0	5 9 0	6 11	0 11	26 6	78 1/2	18 50
	8.	5 8 0	5 9 0	6 11	0 11	26 6	79 1/2	18 50
	15.	-	5 9 0	6 11	0 11	26 6	79 1/2	19 10
	22.	5 8 0	5 9 0	-	0 11	27 0	79 1/2	19 10
	29.	-	-	-	-	26 0	79	18 30

(14).—*Weekly Abstract of the Market Prices of Gold and Silver, &c.—continued.*

	Price of Standard GOLD in Bars, per ounce.			Price of Standard SILVER, per ounce.			Price of Spanish DOLLARS, per ounce.			Course of Exchange with Bank of London, 2½ Lances.			Course of Exchange with India, 100 Rs.			Course of Exchange with Persia, 100 Rs.		
—	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1813:																		
Nov. - 5	-	-	-	-	-	-	-	-	-	95	0		70			10	30	
12	-	-	-	-	-	-	-	-	-	95	0		70			10	30	
19	-	-	-	5	10	0	-	-	-	97	0		70			10	30	
26	-	-	-	5	10	0	-	-	-	97	0		70			10	30	
Dec. - 3	5	10	0	-	-	-	-	-	-	97	0		70			10	30	
10	-	-	-	5	10	0	-	-	-	97	0		70			10	30	
17	5	10	0	5	10	0	-	-	-	97	0		70			10	30	
24	5	10	0	5	10	0	-	-	-	97	0		70			10	30	
31	5	10	0	5	10	0	-	-	-	97	0		70			10	30	
1814:																		
Jan. - 4	-	-	-	5	10	0	-	-	-	97	0		70			10	30	
11	-	-	-	5	10	0	-	-	-	97	0		70			10	30	
18	5	8	0	5	10	0	-	-	-	97	0		70			10	30	
25	5	8	0	5	10	0	-	-	-	97	0		70			10	30	
Feb. - 1	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
8	5	8	0	5	10	0	5	11	0	97	0		70			10	30	
15	5	8	0	5	10	0	5	11	0	97	0		70			10	30	
22	5	8	0	5	10	0	5	11	0	97	0		70			10	30	
March - 1	5	8	0	5	10	0	-	-	-	97	0		70			10	30	
8	-	-	-	5	10	0	-	-	-	97	0		70			10	30	
15	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
22	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
29	-	-	-	5	8	0	-	-	-	97	0		70			10	30	
April - 5	-	-	-	5	8	0	-	-	-	97	0		70			10	30	
12	5	8	0	-	-	-	-	-	-	97	0		70			10	30	
19	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
26	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
May - 3	-	-	-	5	8	0	-	-	-	97	0		70			10	30	
10	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
17	-	-	-	5	8	0	-	-	-	97	0		70			10	30	
24	5	8	0	5	8	0	-	-	-	97	0		70			10	30	
31	5	8	0	-	-	-	-	-	-	97	0		70			10	30	
June - 7	5	0	0	5	0	0	-	-	-	97	0		70			10	30	
14	4	17	0	4	17	0	-	-	-	97	0		70			10	30	
21	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
28	4	10	0	-	-	-	-	-	-	97	0		70			10	30	
July - 5	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
12	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
19	4	10	0	4	10	0	-	-	-	97	0		70			10	30	
26	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
Aug. - 2	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
9	-	-	-	4	4	0	-	-	-	97	0		70			10	30	
16	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
23	-	-	-	4	11	0	5	8	0	97	0		70			10	30	
30	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
Sept. - 6	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
13	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
20	4	8	0	-	-	-	-	-	-	97	0		70			10	30	
27	4	8	0	-	-	-	-	-	-	97	0		70			10	30	
Oct. - 4	4	5	0	-	-	-	5	8	0	97	0		70			10	30	
11	4	5	0	-	-	-	5	8	0	97	0		70			10	30	
18	4	5	0	4	5	0	-	-	-	97	0		70			10	30	
25	4	7	0	4	7	0	-	-	-	97	0		70			10	30	
Nov. - 1	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
8	-	-	-	-	-	-	-	-	-	97	0		70			10	30	
15	4	8	0	-	-	-	5	8	0	97	0		70			10	30	
22	-	-	-	-	-	-	5	8	0	97	0		70			10	30	
29	4	8	0	-	-	-	-	-	-	97	0		70			10	30	

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Bars, per ounce.	Price of Standard SILVER, per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Hongkong, 2½ Weeks.	Course of Exchange with London.	Course of Exchange with Paris.
1814:		£. s. d.	s. d.	s. d.			
Dec. - 6.	-	-	-	-	32 0	08	22 0
13.	-	-	-	-	32 4	08	22 30
20.	-	-	-	5 7½	32 0	08	22 30
27.	-	-	5 9	5 7	32 0	08	22 30
1815:							
January - 3.	4 6 6	4 6 6	5 9	5 7	32 4	07½	22 40
10.	-	-	5 9	5 7	32 4	07	22 40
17.	-	-	-	-	32 1	07½	22 30
24.	-	4 8 0	-	-	32 1	07½	22 30
31.	-	-	-	-	32 1	07	22 10
February - 7.	-	-	-	-	32 1	07	22 10
14.	-	-	-	5 10	32 1	07	22 10
21.	-	-	-	-	32 10	07	22 10
28.	4 9 0	-	5 11½	5 10	32 1	06½	22 0
March - 7.	-	-	-	5 10	32 3	06	22 10
14.	-	-	-	5 10	32 3	06	22 10
21.	-	4 14 0	-	-	32 3	06	22 30
28.	-	-	-	-	32 0	07	22 30
April - 4.	5 7 0	5 7 0	-	6 0	28 0	70	18 80
11.	-	5 7 0	-	6 0	28 0	70	18 80
18.	-	5 7 0	-	6 0	28 1	71	20 0
25.	-	-	-	-	28 1	71	20 0
May - 2.	5 6 0	5 6 0	6 0	6 8	28 1	71	20 0
9.	5 6 0	5 6 0	6 0	6 8	28 1	71	19 30
16.	5 6 0	5 6 0	6 0	6 8	28 1	71	19 30
23.	5 5 0	5 5 0	-	6 7	28 1	70	19 0
30.	5 5 0	5 5 0	-	-	28 0	70	18 30
June - 6.	5 5 0	5 5 0	-	6 5	28 0	70	18 30
13.	5 5 0	5 5 0	6 0	6 5	27 10	70	18 80
20.	5 4 0	5 4 0	6 0	6 4	28 0	70	19 30
27.	5 4 0	5 4 0	6 0	6 4	28 0	70	19 80
30.	5 0 0	5 0 0	-	6 0	31 1	67½	21 30
July - 7.	4 14 0	4 14 0	-	5 9	31 4	67	20 80
14.	4 11 0	4 11 0	-	5 7	31 1	67	21 10
21.	4 11 0	4 11 0	-	5 7	31 0	67	21 10
28.	4 11 0	4 11 0	-	5 7½	31 0	67	21 80
August - 4.	4 10 0	4 10 0	-	-	30 1	67	21 10
11.	4 9 0	4 9 0	-	5 5½	30 8	66	20 10
18.	-	4 9 0	-	5 5½	30 6	66	19 80
25.	-	-	-	5 7	30 6	66	20 0
Sept. - 1.	4 10 0	4 10 0	-	5 7	32 0	66½	20 0
8.	4 9 0	4 9 0	-	5 7	32 7	66	20 30
15.	4 9 0	4 9 0	5 9	5 7	32 0	65	20 30
22.	-	4 9 0	-	5 6	32 0	64	20 30
29.	-	-	-	5 5	33 1	63	21 10
October - 6.	-	-	-	-	33 4	63	21 10
13.	4 3 0	4 3 0	-	5 3	33 9	63	21 40
20.	4 3 0	4 3 0	-	5 3	34 1	61	21 80
27.	4 3 0	4 3 0	-	5 3	34 4	60½	24 0
Nov. - 3.	4 3 0	4 3 0	-	5 2½	33 8	60½	23 30
10.	4 4 0	4 4 0	-	5 4	33 10	61	23 30
17.	-	-	-	5 4½	33 10	60	23 30
24.	4 3 0	4 3 0	-	5 4	34 1	59½	23 80
Dec. - 1.	4 3 0	4 3 0	-	-	34 3	59½	24 0
8.	4 3 0	4 3 0	-	5 3	34 2	60	24 0
15.	-	-	-	5 3	34 3	60	24 0
22.	4 3 0	4 3 0	-	5 3	34 3	60	24 0
29.	4 3 0	4 3 0	-	5 3	34 4	59½	24 10

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Mass. per ounce.		Price of Foreign GOLD in Cass. per ounce.		Price of Standard SILVER, per ounce.	Price of Spanish DOLLARS, per ounce.	Course of Exchange with Hamburg, $\frac{1}{2}$ Uncia.	Course of Exchange with London.	Course of Exchange with India.
1861	£.	s. d.	£.	s. d.	s. d.	s. d.			
January 2.	4	2 0	4	2 0	-	5 3	34 4	50 $\frac{1}{2}$	84 10
9.	4	2 0	4	2 0	-	5 3	34 4	50 $\frac{1}{2}$	84 10
16.	4	2 0	-	-	5 4 $\frac{1}{2}$	5 3	34 4	50	84 10
23.	4	2 0	-	-	-	5 3	34 0	50	84 00
30.	4	2 0	4	2 0	-	5 3	34 0	50 $\frac{1}{2}$	84 40
February 6.	4	2 0	4	2 0	-	5 3	34 0	50 $\frac{1}{2}$	84 40
13.	4	2 0	4	2 0	-	5 3	34 0	50 $\frac{1}{2}$	84 40
20.	4	2 0	4	2 0	10 4	5 3	34 8	50 $\frac{1}{2}$	84 00
27.	4	2 0	4	2 0	10 4	5 3	34 8	50	84 00
March 5.	4	2 0	4	2 0	10 4	5 3	34 10	50	84 00
12.	4	2 0	4	2 0	10 4	5 3	34 8	50	84 10
19.	4	2 0	4	2 0	-	5 3 $\frac{1}{2}$	34 8	50 $\frac{1}{2}$	84 10
26.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	5 3	34 8	50	84 10
April 2.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	5 1	34 0	50	84 10
9.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	5 1	34 0	50	84 10
16.	4	2 0	4	2 0	-	5 0	34 0	50	84 00
23.	4	2 0	4	2 0	-	4 11 $\frac{1}{2}$	34 8	50 $\frac{1}{2}$	84 40
30.	4	2 0	4	2 0	-	4 11 $\frac{1}{2}$	34 10	50	84 00
May 7.	4	2 0	4	2 0	-	4 11 $\frac{1}{2}$	34 10	50	84 00
14.	4	2 0	4	2 0	-	5 0	34 0	50 $\frac{1}{2}$	84 0
21.	4	2 0	4	2 0	-	4 11 $\frac{1}{2}$	34 10	50 $\frac{1}{2}$	84 35
28.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	4 11 $\frac{1}{2}$	34 10	50 $\frac{1}{2}$	84 35
June 4.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	4 11 $\frac{1}{2}$	34 10	50	84 35
11.	-	-	-	-	-	4 11 $\frac{1}{2}$	34 1	50 $\frac{1}{2}$	84 40
18.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	4 11 $\frac{1}{2}$	34 1	50 $\frac{1}{2}$	84 40
25.	4	2 0	4	2 0	10 3 $\frac{1}{2}$	4 11	34 3	50 $\frac{1}{2}$	84 45
July 2.	4	2 0	4	2 0	10 0 $\frac{1}{2}$	4 11	34 3	50 $\frac{1}{2}$	84 45
9.	3 19 0	3 19 0	3 19 0	3 19 0	10 0	4 10 $\frac{1}{2}$	34 10	50	84 00
16.	3 19 0	3 19 0	3 19 0	3 19 0	10 0	4 10 $\frac{1}{2}$	34 10	50	84 00
23.	3 19 0	3 19 0	3 19 0	3 19 0	10 0	4 10 $\frac{1}{2}$	34 10	50	84 00
30.	3 19 0	3 19 0	3 19 0	3 19 0	10 0	4 10 $\frac{1}{2}$	34 10	50	84 00
August 6.	3 19 0	3 19 0	3 19 0	3 19 0	10 0	4 10 $\frac{1}{2}$	34 10	50	84 00
13.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 5	50	84 00
20.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 7	50	84 00
27.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 9	50 $\frac{1}{2}$	84 00
Sept. 3.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 9	50 $\frac{1}{2}$	84 00
10.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 9	50	84 00
17.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 9	50	84 00
24.	3 19 0	3 19 0	3 19 0	3 19 0	-	4 10 $\frac{1}{2}$	34 11	50	84 00
October 1.	3 18 6	3 18 6	3 18 6	3 18 6	5 0	4 10 $\frac{1}{2}$	34 11	50	84 00
8.	3 18 6	3 18 6	3 18 6	3 18 6	5 0	4 10 $\frac{1}{2}$	34 4	50	84 00
15.	3 18 6	3 18 6	3 18 6	3 18 6	5 0	4 10 $\frac{1}{2}$	34 0	50 $\frac{1}{2}$	84 10
22.	3 18 6	3 18 6	3 18 6	3 18 6	4 11 $\frac{1}{2}$	4 10	34 10	50 $\frac{1}{2}$	84 10
29.	-	-	-	-	-	4 11	34 8	50 $\frac{1}{2}$	84 20
Nov. 5.	3 18 6	3 18 6	3 18 6	3 18 6	-	-	34 10	50 $\frac{1}{2}$	84 00
12.	3 18 6	3 18 6	3 18 6	3 18 6	5 0	4 10 $\frac{1}{2}$	34 0	50 $\frac{1}{2}$	84 00
19.	3 18 6	3 18 6	3 18 6	3 18 6	5 0	4 10 $\frac{1}{2}$	34 0	50 $\frac{1}{2}$	84 00
26.	3 18 6	3 18 6	3 18 6	3 18 6	4 11 $\frac{1}{2}$	4 10	34 0	50 $\frac{1}{2}$	84 00
Dec. 3.	3 18 6	3 18 6	3 18 6	3 18 6	4 11 $\frac{1}{2}$	4 10	34 0	50 $\frac{1}{2}$	84 00
10.	3 18 6	3 18 6	3 18 6	3 18 6	-	4 10	34 10	50 $\frac{1}{2}$	84 00
17.	3 18 6	3 18 6	3 18 6	3 18 6	4 11 $\frac{1}{2}$	4 10	34 10	50 $\frac{1}{2}$	84 00
24.	3 18 6	3 18 6	3 18 6	3 18 6	4 11 $\frac{1}{2}$	4 10	34 7	50 $\frac{1}{2}$	84 00
1862									
January 2.	3 18 6	3 18 6	3 18 6	3 18 6	-	4 10	34 7	50 $\frac{1}{2}$	84 40
9.	3 18 6	3 18 6	3 18 6	3 18 6	-	4 10	34 9	50 $\frac{1}{2}$	84 40
16.	3 18 6	3 18 6	3 18 6	3 18 6	5 0	4 11	34 1	50 $\frac{1}{2}$	84 00
23.	3 18 6	3 18 6	3 18 6	3 18 6	5 1	4 11 $\frac{1}{2}$	34 11	50	84 10
30.	3 18 6	3 18 6	3 18 6	3 18 6	-	4 11 $\frac{1}{2}$	34 10	50 $\frac{1}{2}$	84 10

(14).—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.	Price of Foreign GOLD in Gold, per ounce.	Price of Standard SILVER, per ounce.	Price of French DOLLARS, per ounce.	Course of Exchange with Birmingham, Edinburgh, & London.	Course of Exchange with London.	Course of Exchange with Paris.
1887:	£ s. d.	£ s. d.	s. d.	s. d.			
Feb. - 7.	- -	- -	5 0½	4 11	26 2	57	25 20
14.	- -	- -	5 1	4 11½	26 2	57	25 20
21.	3 18 6	3 18 6	5 1	-	26 2	57	25 20
28.	3 18 6	3 18 6	5 1	4 11	26 7	58½	25 40
March - 7.	3 18 6	3 18 6	5 1	4 11½	26 6	58½	25 40
14.	3 18 6	3 18 6	- -	5 0	26 6	58½	25 40
21.	3 18 6	3 18 6	- -	5 1	26 4	57	25 30
28.	3 18 6	3 18 6	5 2½	5 1	26 2	57	25 20
April - 4.	3 18 6	3 18 6	- -	5 2½	26 2	57	25 20
11.	- -	- -	- -	5 2	26 2	57	25 20
18.	3 19 0	3 19 0	5 1½	5 1	26 2	57	25 20
25.	- -	3 19 0	5 1½	5 0½	25 10	57	25 0
May - 2.	- -	- -	- -	5 0½	25 5	58	24 70
9.	- -	3 19 0	- -	5 1	25 4½	58	24 75
16.	- -	3 19 0	- -	5 2	25 6	58	24 80
23.	- -	3 19 6	- -	5 2½	25 3	58	24 70
30.	- -	3 19 6	- -	5 2½	25 6	58	24 50
June - 6.	3 19 6	3 19 6	5 2	5 2½	25 6	58	24 60
13.	3 19 0	3 19 0	- -	5 2	25 2	58	24 65
20.	- -	- -	- -	5 1½	25 7	58	24 00
27.	3 19 0	3 19 0	- -	-	25 5	58	24 20
July - 4.	3 19 0	3 19 0	- -	5 1	25 5	58	24 20
11.	3 19 0	3 19 0	5 2	5 1	25 2	57	24 00
18.	4 0 0	4 0 0	- -	5 2	24 9	57	24 40
25.	4 0 0	- -	5 2½	5 2	24 6	58	24 30
August - 1.	- -	4 0 6	5 2½	5 2	24 5	58	24 30
8.	3 19 6	3 19 6	5 2½	5 2	25 1	57½	24 50
15.	4 0 6	4 0 6	- -	5 1½	25 1	58	24 50
22.	4 0 6	4 0 6	- -	5 2	25 0	58	24 30
29.	4 0 6	- -	- -	5 2	25 0	58	24 40
Sept. - 5.	4 0 0	4 0 0	5 2	5 1½	25 2	58	24 40
12.	4 0 0	- -	5 2	5 1	25 1	58	24 40
19.	- -	4 0 0	5 2	5 2	25 1	58	24 40
26.	4 0 0	4 0 0	- -	5 2	25 1	58	24 40
October - 3.	4 0 0	4 0 0	- -	5 2	25 2	58	24 40
10.	4 0 0	4 0 0	- -	-	25 2	58	24 40
17.	4 0 0	4 0 0	- -	-	25 2	58	24 40
24.	4 0 0	4 0 0	- -	5 2	24 9	58	24 40
31.	4 0 0	4 0 0	5 2½	5 2	24 10	58	24 40
Nov. - 7.	4 0 6	4 0 6	5 2½	5 2½	24 9	58	24 40
14.	4 0 6	4 0 6	5 2½	5 2½	24 9	58½	24 40
21.	4 0 6	4 0 6	5 2½	5 3	24 7	59	24 40
28.	4 0 6	4 0 6	5 2½	5 2½	24 7	59	24 40
Dec. - 5.	- -	- -	5 2½	5 4	24 7	59	24 40
12.	4 0 6	4 0 6	5 2½	-	24 6	59	24 40
19.	4 0 6	4 0 6	5 2½	-	24 6	59	24 40
26.	- -	4 0 6	- -	5 4	24 6	58½	24 40
1888:							
January - 2.	4 0 6	4 0 6	- -	-	24 6	58	24 40
9.	4 0 6	4 0 6	5 2½	5 3½	24 6	58	24 40
16.	- -	- -	5 3	5 4	24 4	58½	24 30
23.	4 1 0	4 1 0	5 3	5 4	24 4	58	24 30
30.	4 1 0	4 1 0	5 3	-	24 4	59	24 30
Feb. - 6.	- -	- -	- -	-	24 0	59	24 5
13.	4 0 6	4 0 6	- -	5 6	24 0	59	24 5
20.	- -	- -	5 4½	5 2½	24 0	59	24 0
27.	- -	- -	5 4½	5 2	24 0	59	24 0

(14.)—Weekly Account of the Market Prices of Gold and Silver, &c.—continued.

	Price of Standard GOLD in Bars, per ounce.			Price of Foreign GOLD in Coins, per ounce.			Price of Standard SILVER, per ounce.		Price of Standard DOLLARS, per ounce.		Change of Exchange with Hamburg, 2½ Union.	Change of Exchange with London.	Change of Exchange with Paris.
1816:	£.	s.	d.	£.	s.	d.	s.	d.	s.	d.			
March - 6.	4	1	0	4	1	0	5	4	5	5	34 0	58½	34 0
13.	4	1	0	4	1	0	5	4	5	5	34 0	58½	34 5
20.	4	1	0	4	1	0	5	4	5	5	34 0	58½	34 10
27.	-	-	-	-	-	-	5	4	5	5	34 7	58½	34 20
April - 7.	4	1	0	4	1	0	5	4	5	4½	34 3	58½	34 10
14.	-	-	-	-	-	-	-	-	5	4½	34 3	58½	34 10
21.	-	-	-	-	-	-	-	-	5	5	34 3	58½	34 10
28.	-	-	-	-	-	-	-	-	5	6	34 3	58½	34 10
May - 5.	-	-	-	4	2	0	5	5½	-	-	34 0	58	34 10
12.	-	-	-	-	-	-	5	5½	5	6	34 0	58	34 10
19.	-	-	-	-	-	-	5	5½	5	6	34 11	58	34 0
26.	4	1	0	4	1	0	5	5½	5	6	34 11	58	34 0
June - 3.	4	1	0	4	1	0	5	5½	5	5	34 0	58	34 5
10.	-	-	-	-	-	-	5	5½	5	6	34 0	58	34 5
17.	-	-	-	-	-	-	5	5½	5	6	34 0	58	34 5
24.	4	1	0	-	-	-	5	5½	5	6	34 5	58	34 15
30.	-	-	-	4	1	0	-	-	5	6	34 5	58	34 20
July - 7.	4	1	0	4	1	0	5	5	5	6	34 5	58	34 20
14.	-	-	-	-	-	-	5	5	5	6	34 3	58	34 10
21.	-	-	-	-	-	-	5	5	5	6	34 3	58	34 10
28.	4	1	0	-	-	-	5	5	-	-	34 3	58	34 10
August - 4.	-	-	-	-	-	-	5	5	5	5½	34 3	58½	34 10
11.	4	1	0	4	1	0	5	5	5	5½	34 6	58½	34 15
18.	-	-	-	-	-	-	5	5	5	5½	34 6	58½	34 15
25.	-	-	-	-	-	-	5	5	5	5	34 6	58½	34 20
Sept. - 1.	-	-	-	-	-	-	5	4½	-	-	34 6	58½	34 10
8.	-	-	-	-	-	-	-	-	-	-	35 1	58	34 20
15.	4	0	0	4	0	0	5	4	5	3½	35 3	57	35 0
22.	-	-	-	-	-	-	-	-	5	4	34 10	57	34 70
29.	4	1	0	-	-	-	5	4½	-	-	34 10	57	34 70
October - 6.	4	1	0	-	-	-	5	4½	5	4½	34 8	58	34 70
13.	-	-	-	-	-	-	5	4½	5	4½	34 8	58	34 70
20.	4	1	0	-	-	-	5	4½	5	4½	34 6	58	34 60
27.	-	-	-	4	1	0	5	4½	-	-	34 3	58	34 50
Nov. - 3.	-	-	-	-	-	-	5	4½	5	4½	34 3	58	34 45
10.	-	-	-	-	-	-	-	-	5	5	34 2	58½	34 70
17.	-	-	-	-	-	-	-	-	5	5	34 8	58½	34 60
24.	-	-	-	-	-	-	-	-	5	5	33 8	58½	34 60
Dec. - 1.	-	-	-	-	-	-	5	5	-	-	33 8	58½	34 60
8.	-	-	-	-	-	-	-	-	-	-	34 9	58	34 0
15.	4	1	0	-	-	-	5	5	5	4½	34 9	58½	34 0
22.	-	-	-	-	-	-	-	-	5	5	34 0	58	34 20
29.	-	-	-	-	-	-	5	5½	5	5	33 8	58	34 60
1817:													
January - 1.	-	-	-	-	-	-	5	5	-	-	33 8	58	34 20
8.	4	2	0	4	2	0	5	5	5	5½	33 9	58	34 50
15.	-	-	-	-	-	-	5	5	-	-	33 9	58	34 50
22.	4	2	0	-	-	-	-	-	-	-	33 9	58	34 50
29.	-	-	-	-	-	-	5	7	5	9	33 7	58	34 50
February - 5.	-	-	-	-	-	-	5	7	5	9	33 7	58	34 50
12.	-	-	-	-	-	-	5	7	5	7	33 11	58	34 50
19.	4	1	0	-	-	-	5	7	5	7	33 11	58	34 50
26.	-	-	-	-	-	-	5	7	-	-	34 0	58	34 50

Met Office,
24 March 1817.

J. W. Morrison,
Dep. Master & W.

Appendix, N° 15.

FLUCTUATIONS of the EXCHANGES at Paris, with London, St. Petersburg, Vienna, Amsterdam and Hambro', during the Years 1815, 1816, 1817, and 1818.

1815.

	London, ℥s.	St. Petersburg, ℥s.	Vienna, ℥s.	Amsterdam, ℥s.	Hambro', ℥s.	Gold premium.
January - - -	83 70	105	No quotation at Paris.	56 ½	187 ½	½ per mil.
February - - -	81 85	105		56 ½	184	d°
March - - -	81 90	105		56 ½	184	d°
April - - -	79 60	105		56 ½	183 ½	d°
May and June - - -	18 -	105		56 ½	184 ½	d°
June - - -	18 35	105	No quotation at Paris.	56 ½	175	d°
July - - -	80 50	105		57 ½	181	d°
August - - -	81 44	105		57 ½	181	d°
September - - -	81 -05	-		57 ½	183	½ per mil.
October - - -	80 75	-		57 ½	185	d°
November - - -	83 44	94		56 ½	185 ½	1 per mil.
December - - -	83 55	95	158	56 ½	188 ½	d°

1816.

	London, ℥s.	St. Petersburg, ℥s.	Vienna, ℥s.	Amsterdam, ℥s.	Hambro', ℥s.	Gold premium.
January - - -	83 65	100	158	56 ½	187 ½	½ per mil.
February - - -	84 -10	100	158	56 ½	191	3 per mil.
March - - -	84 -00	104	160	56 ½	190 ½	3 per mil.
April - - -	84 55	103	160	56 ½	191	7 per mil.
May - - -	84 80	100	160	56 ½	190 ½	4 per mil.
June - - -	84 80	104 ½	160 ½	56 ½	189 ½	d°
July - - -	84 50	103	158	57 ½	188 ½	d°
August - - -	85 35	103	158	56 ½	189	6 per mil.
September - - -	85 30	104	157 ½	57 ½	187 ½	10 per mil.
October 17th - - -	85 70	103	158	57 ½	187	5 per mil.
November - - -	85 25	100	153	57	186 ½	3 per mil.
December - - -	75 20	96	153 ½	57 ½	186 ½	d°

1817.

	London, ℥s.	St. Petersburg, ℥s.	Vienna, ℥s.	Amsterdam, ℥s.	Hambro', ℥s.	Gold premium.
January - - -	85 -10	104	155	57 ½	189	1 per mil.
February - - -	84 50	110 -	155 -	57 ½	189	d°
March - - -	84 85	110	157	57 ½	188	d°
April - - -	84 35	110	157	57 ½	188	d°
May - - -	84 55	110	157	57 ½	188	d°
June - - -	84 40	111	157	56 ½	189	d°
July - - -	84 40	111	157 ½	56 ½	189 ½	d°
August - - -	84 15	111	158	57	189 ½	d°
September - - -	84 -	111	155	57	188	d°
October - - -	84 10	110	153 ½	56 ½	187 ½	-
November - - -	84 10	117	153	56 ½	187 ½	-
December - - -	84 05	113	155	56	189 ½	-

(15)—*Fluctuations of the Exchanges at Paris, with London, St. Petersburg, &c.—continued.*

1818.

	London, %.	St. Petersburg, %.	Vienne, %.	Amsterdam, %.	Hambro', %.	Gold premium
January - - -	84 45	113	158	56 ½	189 ½	—
February - - -	83 85	113	158	56 ½	189	1 per mil.
March - - -	83 85	111	156	56 ½	189 ½	2
April - - -	84 15	115	158	56 ½	189 ½	3 ½ per mil.
May - - -	83 80	115	161	56 ½	189 ½	3 ½ per mil.
June - - -	83 75	115	161 ½	56 ½	189 ½	—
July - - -	84 —	115	161	56 ½	189 ½	3 ½ per mil.
August - - -	83 65	115	161	56 ½	189 ½	4 per mil.
September - - -	84 15	115	161	56 ½	190	4
October - - -	84 85	119	161	56 ½	191	6 ½ per mil.
November - - -	83 90	119	161	56 ½	191	8 per mil.
December - - -	83 45	120	161	57	191	4 per mil.

PARS OF EXCHANGE.

PARIS ON LONDON	-	-	-	-	-	25 Francs and 21 Centimes for One Pound, in Standard Gold.
PARIS ON ST. PETERSBURG	-	-	-	-	-	One Silver Ruble in St. Petersburg for 300 Cents in Paris.
PARIS ON VIENNA	-	-	-	-	-	100 Florins in Silver in Vienna, for 100 ½ Francs in Paris.
PARIS ON AMSTERDAM	-	-	-	-	-	56 ½ Deniers Dutch currency, in Amsterdam, for 3 Francs in Paris.
PARIS ON HAMBRO'	-	-	-	-	-	100 Marks Banco in Hambro' for 188 Francs in Paris.

N. B.—Notwithstanding the Pars above stated, bills on London and St. Petersburg being payable in paper, the Exchanges in the former have fluctuated from P^{rs} 18. 6. to P^{rs} 25. 70. for the paper pound, and on the latter from 95 to 120 Cents for the paper ruble.

REMARKS.

Bills upon Amsterdam, Hambro' and Vienna, are payable in specie; and the above Statement shows, that during the years 1815, 1816, 1817 and 1818, the exchanges at Paris on those places have not varied more than 2 to 3 per cent from their respective pars; with the exception of the month of June 1815, when hostilities commenced between France and the Allied Powers, and momentarily increased the risk and difficulty of transmitting bullion.

With respect to the exchange on Vienna, it is also worthy of remark, that although during the same period the paper money of Austria fluctuated from 48 ½ to 115 paper for 100 silver florins, still the exchange at Paris remained quite as steady on Vienna as on Hambro' and Amsterdam, because bills on Vienna were drawn payable only in specie; but had they been drawn payable in paper, this exchange would have varied nearly 55 per cent.

The exchanges at Paris upon London and St. Petersburg, where bills are payable in paper only, have, during the same four years, varied, the former about 41 p^{ts}, and the latter about 97 p^{ts}; the variations in these two exchanges at Paris, do not appear to have taken place at the same moments, which is accounted for, by the fluctuations in the values of the paper in England and St. Petersburg not having been simultaneous.

From the foregoing Statement, the following may be looked upon as nearly the extent of the fluctuations in the values of the paper currencies of Austria, England and Russia, compared with the metallic currencies, during the years 1815, 1816, 1817 and 1818:

Austria	-	-	about	-	-	55 per cent.
England	-	-	"	-	-	41 per cent.
Russia	-	-	"	-	-	97 per cent.

The premium at Paris upon Gold Coins paid in Silver Coins, appears never to have exceeded 1 per cent, and that high rate lasted but for a moment.

London,
11th March 1819.

H^o R. Hildbrand.

(15.)—Fluctuations of the Exchange at Paris, with London, St. Petersburg, &c.—continued.

Statement showing the Value of 100 Silver Florins at Vienna, in Austrian Paper Currency, during the years 1815, 1816, 1817 and 1818.

	In Paper Currency.		In Paper Currency.
1815: January 11 -	379 $\frac{1}{2}$	1816: October 10 -	315
28 -	383 $\frac{1}{2}$	30 -	317
February 1 -	381 $\frac{1}{2}$	November 10 -	320
25 -	387 $\frac{1}{2}$	December 11 -	325
March 4 -	388 $\frac{1}{2}$	14 -	340
29 -	390 $\frac{1}{2}$		
April 19 -	411 $\frac{1}{2}$	1817: February 10 -	324 $\frac{1}{2}$
29 -	398 $\frac{1}{2}$	March 12 -	373 $\frac{1}{2}$
May 6 -	392 $\frac{1}{2}$	20 -	383
22 -	408 $\frac{1}{2}$	April 5 -	373 $\frac{1}{2}$
June 7 -	413	26 -	390 $\frac{1}{2}$
11 -	403 $\frac{1}{2}$	May 3 -	339
July 1 -	417	7 -	344
26 -	318	June 11 -	345
August 7 -	348	21 -	349
16 -	330	July 2 -	348
September 1 -	327	9 -	345
22 -	344	August 13 -	340
October 28 -	328	23 -	308
November 8 -	324	September 10 -	307
December 6 -	351	13 -	305
30 -	315	October 1 -	300
1816: January 27 -	373	18 -	275
February 18 -	360	November 5 -	297
March 9 -	330	December 27 -	258
30 -	321		
April 3 -	328	1818: January 14 -	258
24 -	347	28 -	256
May 6 -	283	February 7 -	250
19 -	331	15 -	280
June 1 -	307	March 4 -	280
21 -	269	16 -	260
July 17 -	280	April 19 -	260
August 28 -	255	May 6 -	251
September 6 -	280	12 -	257
28 -	311		

1818: August 26 - -

From this period Bills were negotiated at Vienna, payable either in Paper or in Coin, in the following proportions:

200 in paper currency, or 50 $\frac{1}{2}$ in Austrian coin.

September 2 - -	212	- - -	08 $\frac{1}{2}$
19 - -	222 $\frac{1}{2}$	- - -	10 $\frac{1}{2}$
October 14 - -	211 $\frac{1}{2}$	- - -	07
November 26 - -	218	- - -	00 $\frac{1}{2}$
December 2 - -	222 $\frac{1}{2}$	- - -	00 $\frac{1}{2}$
12 - -	227	- - -	00 $\frac{1}{2}$

227 the highest Exchange 00 $\frac{1}{2}$

222 the lowest Exchange 07

Difference -

25 or 12 p. coin, pay- ing in paper currency.	{	25 per Cent. differ- ence paying in Coin.

(15).—Fluctuations of the Exchanges at Paris, with London, St. Petersburg, &c.—continued.

		In Paper Currency.					In Paper Currency.		
		£.	s.	d.			£.	s.	d.
1816:	Sept. 27	-	-	101 8 10	1818:	Feb. 10	-	-	102 18 9
	October 4	-	-	100 28 —		March 2	-	-	104 13 4
1817:	January 27	-	-	102 1 8		10	-	-	104 — 3
	February 11	-	-	101 8 10		April 17	-	-	104 13 1
	18	-	-	100 18 —		May 5	-	-	102 18 0
	April 18	-	-	101 8 10		16	-	-	104 13 1
	May 27	-	-	102 14 6		September 4	-	-	103 7 4
	June 3	-	-	101 8 10		11	-	-	102 14 6
	July 18	-	-	102 14 6		October 2	-	-	104 13 1
	August 12	-	-	103 7 4		9	-	-	103 5 11
	19	-	-	104 — 2		22	-	-	104 12 2
	28	-	-	103 7 4		November 6	-	-	103 5 11
	September 12	-	-	102 14 6		13	-	-	102 18 9
	November 11	-	-	102 7 4		27	-	-	103 11 8
1818:	January 23	-	-	104 — 3		December 11	-	-	102 5 11
						18	-	-	104 — 3

London,
18th March 1819. }

W^m Haldimand.

Outline of a PLAN, grounded upon the suggestions of the Secret Committee of the House of Lords, for the gradual resumption of Cash Payments.

THE Bank to pay all Notes tendered, amounting together to One Hundred Pounds or upwards, in Bar Gold, of the Standard weight and fineness, on the 5th of July 1819, at the rate of 81/- per ounce, the 5th of Oct. d^r - - of 82/- per ounce, the 5th of Jan. 1820 - - of 79/- per ounce, the 5th of April d^r - - of 76/- per ounce, the 5th of July d^r - - of 77/10/- per ounce.

One Pound Note of the Bank of England to be allowed to remain in Circulation till the 5th of July 1820, when the Bank shall resume its Payments in Specie.

Two Pound Note to be allowed to remain in Circulation, till the 5th of July 1824.

Country Bank One and Two Pound Notes, to be allowed to remain in Circulation till the 5th of July 1826.

REMARKS.

ALTHOUGH the numerical amount of Two Pound Notes now in Circulation, does not bear a greater proportion to the Circulation of Notes of One Pound than as one to seven or eight, still, it is proposed, that upon the latter being withdrawn, the amount of the Circulation of the former will be very materially increased.

It is proposed to allow Country Banks to issue One and Two Pound Notes till the 5th of July 1826, because it will render a much smaller quantity of Specie necessary for the general Circulation up to that period, and the frequency of Forgery, which is the only objection to so long a continuance of the Circulation of the small Notes of the Bank of England, cannot be urged against those of Country Banks.

London,
19th March 1819. }

W^m Haldimand.

Sir,

London, 19th March 1819.

I enclose to transmit to you Copies of a few Papers upon Exchanges, and the relative value of Paper and Metallic Currency, which I have had the honour to present to the Secret Committee of the House of Lords.

I also inclose the Outline of a Plan, grounded upon the suggestion of the Committee of Lords, for the gradual resumption of Cash Payments.

I have the honour to be,

To the Right Honourable
Robert Peel, &c. &c. &c.

Sir,
Your most obedient humble Servant,
W^m Haldimand.

Appendix, No. 16.

An Abstract Account of the Receipts of the LIGHT GOLD MONIES, called in and Exchanged, between the 25th August 1772 and the 30th June 1777, and showing the Gold Monies in Circulation in 1780.

			Receiving Value.		Issuing Value	
			£.	s. d.	£.	s. d.
Received at the Mint in Light Gold Monies	25th August 1772 to 25th August 1774	By Treasury Order, 25th July 1773	3,778,458	17 9		
Do	25th August 1774 to 25th July 1775	By Proclamation, 14th June 1774	4,703,300	13 4		
Do	25th March 1776 to 30th June 1777	By Proclamation, 16th April 1776	5,746,500	1 6	15,228,259	10 7
Received in Ingots, from Foreign Gold imported during the Receipts					2,851,491	— —
Received in Ingots, from Guinea Gold	Do — 1775 to 1777		1,231,687	— —		
Do	Do — — 1775		331,071	4 —		
Do	Do — — 1775		214,061	10 6	5,508,119	10 6
Total Collected, from the 25th August 1772 to 31st December 1777			£.		55,051,850	2 1
Note.—It is this Sum to be added the Heavy Coin remaining in Circulation previous to the Receipts, and supposed to amount to			5,000,000	— —		
And also, the Gold Coin remaining unissued in the Bank of England from the Coinage, a short time previous to the commencement of the Receipts, on the 25th August 1772			150,245	— —	5,150,245	— —
The Total Circulation of Gold Monies in the Year 1780, will be			£.		65,002,125	2 1

Mint Office,
25th Feb^r 1819.

Jas. W. Morrison,
Dep. Master & W.

Appendix, No. 17.

An Account of the GOLD MONIES Coined during the Years 1773, 1774, 1775, 1776, and 1777, including the Gold Coined from the Light Monies called in, and from Ingots from Foreign Gold and Light Guinea, imported during the above period:—Also, from Foreign Gold and Guinea brought in, up to the Year 1780.

		Amount Coined.			TOTAL.						
Year.		£.	s.	d.	£.	s.	d.				
Yearly Amount by the Counterstamp Roll, including All the Monies coined from Light Monies brought in under the Proclamation; Ingots from Guineas afterwards imported, and Ingots from Foreign Gold.	1773 - - -	1,317,845	—	—							
	1774 - - -	4,085,073	11	8							
	1775 - - -	4,001,018	17	6							
	1776 - - -	5,000,250	0	6							
	1777 - - -	5,030,000	10	—	15,591,813	1	2				
	1778 - - -	359,487	10	—							
	1779 - - -	1,896,117	10	—							
1780 - - -	Nil.			4,046,555	—	—					
					£.	11,638,368	1	2			
OBSERVATION					£.	s.	d.	£.	s.	d.	
If from the Sum coined up to the year 1777, viz. -					15,591,813	1	2				
The amount coined previous to the commencement of the Recoinage on the 25th August 1773, be deducted					16,078	10	7				
There will remain - - -					-	-	-	15,575,735	10	7	
Which includes the Light Monies brought in under Proclamation -					15,540,270	10	7				
And the Guinea Ingots afterwards im- ported - - -					1,351,087	—	—				
* Lord Liverpool states the Light Coins brought in £. 16,224,800.					16,224,800	10	7				
And the Foreign Gold - - -					2,898,480	—	—				
					19,423,757	10	7				
And											
If from the Sum coined subsequent to the Recoinage up to 1780, viz. -					4,046,555	—	—				
The amount of Foreign Gold imported during the years 1778 and 1779, be deducted - - -					1,450,448	7	6				
There will remain - - -					-	-	-	2,596,130	10	6	
Which includes the Guinea Gold brought in in the year - 1778					339,471	0	—				
also in - 1779					312,601	10	6				
					552,130	10	6				
Making the Total agreeing with the Abstract Account -					-	-	-	£.	20,024,800	2	1
Add the Heavy Coin in circulation previous to the commencement of the Re-coining					5,000,000	—	—				
And the uncoined Coin in the Bank - - -					339,445	—	—				
								5,339,445	—	—	
Total Gold Circulation in 1780 -					£.			15,364,245	2	1	

Print Office,
2d February 1819.

Jas. Morrison.

Appendix, N° 18.

An Account of the Value of FOREIGN GOLD and SILVER COIN and of BULLION purchased by Government, and received into His Majesty's Mint for the purpose of being deposited melted or coined, between the 1st January 1807 and the 1st January 1819; distinguishing the amount purchased from the Bank and from all other quarters, and distinguishing also the Coin from the Bullion, and the period when the same was received into the Mint.

GOLD:

From the Comptroller in Chief, for deposit and melting.		Gross Weight.		Standard Weight	
Foreign Gold Coin and Mixed Bullion:		Rs.	ms. ds. grs.	Rs.	ms. ds. grs.
1813:	July 29.	Produce in Bars	- - -	- - -	312 1 4 91
	August 16.	- D ^r	- - -	- - -	325 1 10 0
	September 4.	In Doubtless not melted	- - -	47 0 3 8	42 0 10 3
	— 17.	In Paris. - - D ^r	- - -	9 3 0 6	9 3 0 00
1814:	January 20.	Produce in Bars	- - -	- - -	268 3 15 8
	August 6.	- D ^r	- - -	- - -	258 2 14 0
	— 10.	- D ^r Hanover Standard	- - -	237 11 10 23	258 10 1 17
	— —	- D ^r	- - -	- - -	46 7 11 17
	December 8.	- D ^r	- - -	- - -	51 11 4 0
	— —	- D ^r	- - -	- - -	53 2 11 0
1816:	Dec ^r 22.	- D ^r	- - -	- - -	53 0 17 23
				Lbs.	2,473 5 11 15
* Returned to the Comptroller in Bullion				* Sterling Value	£. 105,231. 15. 6.

From the Comptroller in Chief.
Gold supplied for Coinage:

		Standard.			
		Rs.			
1813	- - -	Coinage of Guineas and Half Guineas - - -			
		11,213			
		Making in Sterling Value - - - £			
		529,721. 3. 6.			
1813	- - -	Coinage of Hanover, } 5 Tinsler pieces, }			
1814	- - -				
1815	- - -				
		Making in Sterling Value - - - £			
		1,120,401. 12. 0.			
1815	- - -	Coinage of Louis d'or - - - - -			
		15,022 11 12 0			
		Making in Sterling Value - - -			
		£. 650,650. 10. 4.			

SILVER

From the Comptroller in Chief, for deposit and melting.
Foreign Silver Coin:

			Gross Weight.			Computed to Mexican Dollars Standard.					
From the Comissary in Chief, for deposit and melting.											
Foreign Silver Coins:						Rs.	ms.	ds.	Rs.	ms.	ds.
1813:	June 25.	Provisional Spanish Dollars	-	-	-	9,537	4	0	9,479	3	0
	July 24.	Spanish Dollars	-	-	-	1,734	5	0	1,734	0	0
1814:	August 4.	Provisional Spanish Dollars	-	-	-	15,280	3	5	15,280	3	12
	September 14.	- D ^r	-	-	-	8,734	9	10	8,347	12	0
1815:	April 17.	Spanish Dollars	-	-	-	12,041	8	0	12,741	8	0
	July 7.	Provisional Spanish Dollars	-	-	-	10,070	0	15	9,735	3	5
	— 20.	Spanish Dollars, mixed	-	-	-	6,028	3	15	5,928	3	15
	August 4.	Provisional Spanish Dollars	-	-	-	2,431	1	0	2,431	1	0
	— D ^r	- D ^r	-	-	-	46	6	15	4,487	5	3
	— 25.	- D ^r	-	-	-	7,802	1	10	7,683	5	6
	October 13.	- D ^r	-	-	-	13,323	8	0	13,008	0	5
1816:	February 6.	- D ^r	-	-	-	61,000	7	15	61,812	6	17
	April 23.	- D ^r	-	-	-	2,499	0	0	2,497	16	0
Lbs.						166,514	7	5	163,905	3	6

Would produce in Mexican Dollars - - - 2,420,427 0 0

This Silver was returned to the } and in Value at 44. 6d. per Dollar - £. 510,677. 15. 6.
Comptroller in Bullion - }

(18.)—Account of the Value of Foreign Gold and Silver Coin and Bullion, &c.—continued.

From the Comptroller in Chief, the deposit and melting.

Foreign Silver Bullion:		Grass Weight.	Standard Weight.	Compared to Mexican Dollars, Standard.
		lbs. oz. dwt.	lbs. oz. dwt.	lbs. oz. dwt.
1813: July 24.	Ingot - - - -	62 2 12	59 11 12	954 15 12
August 7.	D ^r - - - -	339 11 15	313 5 18	
September 4.	D ^r - - - -	440 7 15	420 0 11	
— 16.	D ^r - - - -	113 4 15	108 0 0	742 5 0
1814: Aug ⁿ 3.	D ^r - - - -	87 0 10	92 0 7	
— 16.	D ^r - - - -	988 8 5	943 0 15	
November 29.	South American Bullion -	8,680 3 0	8,211 8 4	9,255 11 0
1815: Dec ^r 15.	- - D ^r - - - -	655 0 5	648 5 3	672 8 1
— 19.	- - D ^r - - - -	1,834 7 15	1,820 11 13	1,844 9 19
		11,521 0 10	11,505 4 12	12,171 11 14
Would produce in Mexican Dollars - -				181,304 0 0
and in Value at 4s. 6d. per Dollar - £.				41,231 8 -

From the Comptroller in Chief.		Raw.	Standard.
Silver supplied for Waterloo Medal.		lbs. oz. dwt.	lbs. oz. dwt.
1816: January 15	In fine Silver Bars - -	4,038 8 7	5,295 11 0
Making in Sterling Value, at 5s. 6d. per oz. -			£. 17,008. 11. 7

From the Comptroller in Chief.		Standard.	
Silver supplied for New Silver Coinage.		lbs. oz. dwt.	lbs. oz. dwt.
1816: 14th May to 1st August	In Spanish Dollars - - - -	77,041 10 14	
	In Ingots - - - -	70,295 0 9	
		Lbs.	
Produced in Sterling Value - £.		147,336	15. 10.

From the Bank of England.		Standard.	
Silver supplied for New Silver Coinage.		£. s. d.	£. s. d.
Foreign Coins.			
1816 - -	In Spanish Dollars - - -	1,005,161 8 8	
1817 - -	In - D ^r - - - -	81,354 3 4	
			1,086,515 12 -
BULLION.			
1816 - -	In Ingots - - - -	837,820 13 9	
1817 - -	In - D ^r - - - -	103,480 17 6	
1818 - -	In - D ^r - - - -	119,042 11 5	
			1,060,342 2 0
		£.	2,146,857 14. 8

From the several Stations, for the Exchange of Old Silver Coin.		Standard.
		lbs. oz. dwt.
1817 - -	Ingots produced from Old Silver Coin - -	608,455 4 16
Making in Sterling Value, at 5s. 6d. per oz. - £.		2,007,002. 18. -

ABSTRACT

(12.)—Account of the Value of Foreign Gold and Silver Coin and Bullion, &c.—continued.

ABSTRACT.

		GOLD.		£	s.	d.	
COMMISSARY	Gold Deposits: Foreign Coin	-	145,421	13	6		Returned to the Commissary.
	Supply for Golden Coins	-	525,788	3	6		
	Do - for Hanover Coins	-	1,120,001	10	-		Coincd and returned to the Commissary.
	Do - for French Louis d'ors	-	620,610	10	4		
				2,211,820	13	4	£ 2,211,820 13 4
			SILVER:				
	Silver Deposits: Foreign Coin	-	510,607	16	6		Returned in Bullion to the Commissary.
	Do - - - - - Bullion	-	41,503	8	-		
	Supply for Worcester Medals	-	17,808	11	7		Partly in Medals, and Coincd.
	Do - for New Silver Coins	-	44,617	12	10		
BANK	Supply for New Silver Coins: Foreign Coin	-	1,030,816	12	-		Coincd.
	Do - - - - - Bullion	-	1,084,306	0	8		
	Do - - - - - Old Coin	-	1,007,600	16	-		
Exchange of Old Silver Coin		-					
			£	5,182,800	0	7	£ 5,182,800 0 7
TOTAL		-					£ 7,648,404 1 11

Note.—The Gold Imported by the Bank of England for the Coinsage of the Sovereigns and Half Sovereigns, issued in the Years 1817 and 1818, amounts to - - - - - £ 7,377,711 — —

Mint Office,
15th February 1819.

For W. Morrison,
Deputy Master and W.

Appendix, N^o 19.

An Account of GOLD and SILVER, which passed through the Bullion Office at the Bank, between the 1st January 1807 and the 1st January 1819; distinguishing the Amount in each Year.

YEAR.	The Amount of SILVER.	The Amount of GOLD.	TOTAL
1807 - -	£ 2,432,130	£ 124,710	£ 2,556,840
1808 - -	2,070,880	402,900	2,473,780
1809 - -	2,007,030	785,000	2,792,030
1810 - -	1,817,930	515,900	2,333,830
1811 - -	2,408,320	828,330	3,236,650
1812 - -	1,310,110	1,412,070	2,722,180
1813 - -	1,858,320	2,415,300	4,273,620
1814 - -	1,608,500	1,608,500	3,217,000
1815 - -	3,008,600	2,477,400	5,486,000
1816 - -	2,702,300	2,631,900	5,334,200
1817 - -	2,074,900	1,075,200	3,150,100

1st March 1819.

Appendix, N° 10.

PRICES of GOLD and SILVER in January, February, March and April, 1849, with the Monthly Average of the same, and the Average of the last Three Months.

			Price of GOLD, in Grams.	Price of GOLD, in Den.	Price of Standard SILVER.	Price of New DOLLARS.
1849:	January	1.	-	-	5 5 1/2	—
	"	2.	-	-	5 5 1/2	—
	"	3.	4 3 0	4 3 0	5 5 1/2	5 5 1/2
	"	14.	-	-	5 5 1/2	5 5 1/2
	"	15.	-	-	5 5 1/2	—
	"	16.	-	4 3 0	5 5 1/2	5 5
	"	17.	-	4 3 0	—	—
	"	18.	-	4 3 0	5 7	—
	"	19.	-	-	5 7	5 5
Monthly Average	-	-	4 3 0	4 3 0	5 5 1/2	5 5 1/2
1849:	February	1.	-	-	5 7	5 5
	"	2.	-	-	5 7	5 5
	"	3.	-	-	—	—
	"	14.	-	-	5 7	5 7
	"	15.	-	-	5 7	5 7
	"	16.	-	4 1 0	5 7	5 7
	"	17.	-	-	5 7	—
	"	18.	-	4 1 0	-	5 5 1/2
Monthly Average	-	-	-	4 1 3	5 7	5 7 1/2
1849:	March	1.	-	4 1 5	-	5 5
	"	2.	-	4 1 0	5 5 1/2	5 5
	"	3.	-	4 1 5	5 5 1/2	—
	"	14.	-	-	5 5	—
	"	15.	-	-	—	—
	"	16.	-	4 1 0	5 5 1/2	5 5
	"	17.	4 1 0	4 1 0	5 5 1/2	5 5
	"	18.	-	-	5 5	5 5
	"	19.	-	4 1 0	—	—
Monthly Average	-	-	4 1 0	4 1 3	5 5	5 5 1/2
1849:	April	1.	-	4 1 0	—	—
	"	2.	-	-	5 5 1/2	5 5 1/2
	"	3.	-	-	5 5 1/2	5 5 1/2
	"	14.	-	-	5 5 1/2	5 5 1/2
	"	15.	-	-	5 5 1/2	5 5 1/2
	"	16.	-	-	5 5 1/2	5 5 1/2
	"	17.	-	4 3 0	5 5 1/2	5 5 1/2
	"	18.	-	-	5 5 1/2	5 5 1/2
	"	19.	-	-	5 5 1/2	5 5 1/2
Monthly Average	-	-	-	4 1 0	5 5	5 5 1/2
Average of the last Three Months	-	-	4 1 0	4 1 4	5 5 1/2	5 5

Microfilm,
2d May 1849. }

Gen. W. Harrison,
Adj. Master and Wp.

Appendix, N° 21.

An Account of the Amount of GOLD and SILVER sent to us Foreign for Exportation, by Individuals, at the Court of Lord Mayor and Aldermen of the City of London, between the 1st day of January 1807 and the 1st day of January 1819.

	GOLD.				SILVER.		
	oz.	dwt.	grs.		oz.	dwt.	grs.
1807 - - - }	-	-	NIL	-	-	-	-
1808 - - - }	-	-	-	-	-	-	-
1809 - - - -	16,373	4	11	-	-	181.	-
1810 - - - -	22,701	18	5	-	-	-	-
1811 - - - -	33,527	14	5	-	-	-	-
1812 - - - -	12,274	8	3	-	-	581	-
1813 - - - -	62,427	17	13 ½	-	-	232,330	-
1814 - - - -	52,227	8	8	-	-	422,243	-
1815 - - - -	128,222	7	11	-	-	487,632	15
1816 - - - -	122,383	14	8	-	-	41,271	10
1817 - - - -	37,732	1	20	-	-	153,087	11
1818 - - - -	52,122	1	12	-	-	545,447	17
	488,284	8	14 ½	-	-	1,841,343	12

Guildhall, London, }
15th March 1819. }

Henry Woodhouse, jun.
Deputy Town Clerk.

Appendix, N° 22.

An Account of the Amount of GOLD and SILVER, Exported by the East India Company between the 1st January 1807, and the 1st January 1819; distinguishing the Amount in each Year, and whether in Coin or Bullion.

	GOLD.		SILVER.		TOTAL.
	oz.		Coin.	Bullion.	
			£.	£.	£.
1st January 1807 to 1st January 1808 -	-	-	-	-	-
- 1808 - - - 1809 -	-	-	-	100,263	100,263
- 1809 - - - 1810 -	-	-	-	-	-
- 1810 - - - 1811 -	-	-	-	-	-
- 1811 - - - 1812 -	-	-	-	-	-
- 1812 - - - 1813 -	-	-	-	-	-
- 1813 - - - 1814 -	-	-	-	-	-
- 1814 - - - 1815 -	-	-	-	-	-
- 1815 - - - 1816 -	-	-	712,782	-	712,782
- 1816 - - - 1817 -	-	-	482,422	-	482,422
- 1817 - - - 1818 -	-	-	100,712	-	100,712
- 1818 - - - 1819 -	-	-	-	422,434	422,434
	£.	-	£ 1,305,814	£ 622,697	£ 1,928,511

East India House, }
12d February 1818. } Errors excepted.

Chas Carterright,
Acc^t Genl.

Memo.

In the Year 1808, the Company Exported Bullion to India, on account of the Navy Board, amounting to £80,000, which is not included in the above Account.

Appendix, N° 23.

An Account of the Value of FOREIGN GOLD and SILVER in Coins, and of BULLION, purchased by Government, between the 1st January 1807 and the 1st January 1811; distinguishing the Amount purchased from the Bank from that procured from other Quarters; also distinguishing the Coins from the Bullion, and specifying the Amount purchased in each Year;—so far as relates to the Comptrolleur Department.

YEAR	Purchased of the Bank.				Procured from other Quarters.				Amount purchased in each Year.		
	COIN.		BULLION.		COIN.		BULLION.		£.	s.	d.
1811 - - -	113,815	4 - -	- - -	- - -	- - -	- - -	- - -	- - -	113,815	4 - -	- - -
1812 - - -	522,307	11 6	53,411	2 1	3,375	7 10	55,058	14 8	608,252	15 1	- - -
1813 - - -	1,252,825	11 8	222,408	4 8	11,358	12 11	66,222	18 2	1,271,823	5 11	- - -
1814 - - -	775,881	15 6	177,278	10 - -	204,156	12 4	55,800	9 2	1,410,141	9 - -	- - -
1815 - - -	- - -	- - -	- - -	- - -	552,221	15 11	1,252,825	- - 1	1,731,014	15 - -	- - -
1816 - - -	3,315	13 4	3,315	13 7	44,217	10 - -	- - -	- - -	38,848	13 11	- - -
£.	3,314,256	18 - -	874,513	8 10	1,230,328	4 - -	1,481,815	15 1	6,869,908	6 11	- - -

Whitehall, Treasury Chambers,
17 February 1819.

S. R. Eschington.

Appendix, N° 24.

VALUE OF CERTAIN WEIGHTS OF GOLD, AT DIFFERENT PRICES.

Gr. oz.	oz.	£.	d.	£.	s.	d.
5. 0. =	62.	at 81.	0.	- - -	142.	0. 0.
	d'	at 80.	0.	- - -	140.	0. 0.
	d''	at 79.	0.	- - -	137.	0. 0.
	d'''	at 78.	0.	- - -	134.	0. 0.
	d''''	at 77.	10½.	- - -	133.	12. 8.
4. 0. =	50.	at 81.	0.	- - -	109.	10. 0.
	d'	at 80.	0.	- - -	107.	0. 0.
	d''	at 79.	0.	- - -	105.	10. 0.
	d'''	at 78.	0.	- - -	103.	0. 0.
	d''''	at 77.	10½.	- - -	102.	12. 9.
3. 0. =	40.	at 81.	0.	- - -	87.	0. 0.
	d'	at 80.	0.	- - -	85.	0. 0.
	d''	at 79.	0.	- - -	83.	0. 0.
	d'''	at 78.	0.	- - -	81.	0. 0.
	d''''	at 77.	10½.	- - -	80.	12. 0.
2. 0. =	30.	at 81.	0.	- - -	65.	0. 0.
	d'	at 80.	0.	- - -	63.	0. 0.
	d''	at 79.	0.	- - -	61.	0. 0.
	d'''	at 78.	0.	- - -	59.	0. 0.
	d''''	at 77.	10½.	- - -	58.	12. 0.
1. 0. =	20.	at 81.	0.	- - -	43.	0. 0.
	d'	at 80.	0.	- - -	41.	0. 0.
	d''	at 79.	0.	- - -	39.	0. 0.
	d'''	at 78.	0.	- - -	37.	0. 0.
	d''''	at 77.	10½.	- - -	36.	12. 0.
10. 0. =	620.	at 81.	0.	- - -	1252.	10. 0.
4. 0. =	250.	at 81.	0.	- - -	500.	12. 0.
2. 0. =	125.	at 81.	0.	- - -	250.	0. 0.
1. 0. =	62.	at 81.	0.	- - -	125.	0. 0.

(Signed) J. F. Morrison.

Appendix, N° 25.

Average of the COURSES of EXCHANGE at Paris, on Hambro', Amsterdam, and Frankfurt, 7m, from 1st July 1818, to 15th October 1818. (Delivered in by Mr. Haldimand.)

Average Course of Exchange on Amsterdam, 7m		56 ½
The highest price	- - -	56 ½
Difference from the average price to the highest	- - -	¾ p' ½
The lowest price	- - -	56 ¼
Difference from the average price to the lowest	- - -	½ p' ½
Average Course of Exchange on Hambro', 7m		188 ½
The highest price	- - -	189
Difference from the average price to the highest	- - -	¼ p' ½
The lowest price	- - -	188 ½
Difference from the average price to the lowest	- - -	½ p' ½
Average Course of Exchange on Frankfurt, 7m		1 7/8 p' ½ loss.
The highest price	- - -	1 ½ p' ½ loss.
Difference from the average price to the highest	- - -	¾ p' ½
The lowest price	- - -	1 p' ½ loss.
Difference from the average price to the lowest	- - -	¾ p' ½

Difference between the highest and lowest Prices, at Paris, of Paper on the above Places :

Amsterdam ; highest price, 56 ½ ; lowest, 56 ¼ ; difference,	¾ p' ½
Hambro' - - - - - 189 - - - 188 ½ - - -	¼ p' ½
Frankfurt - - - - - 1 ½ p' ½ loss - 1 p' ½ - - -	¾ p' ½

Average of the COURSES of EXCHANGE at Paris, on Hambro', Amsterdam, and Frankfurt, 7m, from 15th October 1818, to 6th February 1819.

Average Course of Exchange on Amsterdam, 7m		57 ½
The highest price	- - -	57 ½
Difference from the average price to the highest	- - -	¼ p' ½
The lowest price	- - -	56 ¼
Difference from the average price to the lowest	- - -	1 1/8 p' ½
Average Course of Exchange on Hambro', 7m		188 ½
The highest price	- - -	190
Difference from the average price to the highest	- - -	½ p' ½
The lowest price	- - -	187
Difference from the average price to the lowest	- - -	1 ½ p' ½
Average Course of Exchange on Frankfurt, 7m		1 7/8 p' ½ loss.
The highest price	- - -	1 ½ p' ½ loss.
Difference from the average price to the highest	- - -	¾ p' ½
The lowest price	- - -	1 p' ½ loss.
Difference from the average price to the lowest	- - -	¾ p' ½

N. B. By the latest accounts from Paris, the Courses of Exchange on the above Places were quoted as follows :

On Amsterdam, at 57 ½	Silvers, current for 3 France.
Hambro' - at 187 ½	Flouens, for 100 Marks Banco.
Frankfurt - at 1 ½ p' ½ loss	incurred by the Drawer.

Difference between the highest and lowest Prices, at Paris, of Paper on above Places, from 15th October 1818, to 6th February 1819 :

Amsterdam ; highest price, 57 ½ ; lowest, 56 ¼ ; difference,	1 ½ p' ½
Hambro' - - - - - 190 - - - 187 - - -	¾ p' ½
Frankfurt - - - - - 1 ½ p' ½ loss - 1 p' ½ loss - - -	¾ p' ½

Appendix, N^o 26.

(Delivered in by Mr. Haldimand.)

Variations of the EXCHANGES at PARIS, during the Month of March 1815.

With

	LONDON, $\frac{1}{2}$ ln.	AMSTERDAM, $\frac{1}{2}$ ln.	and HAMBURG $\frac{1}{2}$ ln.
March - - 18	21.75	28 $\frac{1}{2}$	182 $\frac{1}{2}$
— - - 19	21.80	27	183
— - - 18	21.25	—	—
— - - 22	20.25	28 $\frac{1}{2}$	182
— - - 23	20.10	27 $\frac{1}{2}$	182 $\frac{1}{2}$
— - - 30	20.00	$\frac{1}{2}$	182 $\frac{1}{2}$

THE above Statement will show, that although between the 1st and 30th of March, the Exchange at Paris between that Place and London became more unfavourable to this Country by 10 $\frac{1}{2}$ per $\frac{1}{2}$ per cent, during the same period the Exchanges at Paris with Holland and Hambro' remained nearly stationary.

Appendix, N^o 27.

(Ireland)

An Account of the Amount of CASH issued by the Bank of Ireland in exchange for their Notes presented in consequence of the Notices issued by the Bank, respecting the Payment of any portion of their Notes in Cash since the Year 1814.

1815:		£.	s.	d.
March 30 - - -	Total Amount of Cash paid to this day - - - £.	403,135	0	—
	<i>Note.—</i>			
	Of the above Total Sum, there was issued, after the publication of the first Notice, and prior to the publication of the second, a sum of - - - - -	24,371	10	6
	And between the second and third publication, there was issued a sum of - - - - -	83,000	14	6

Dublin,
31st March 1815. }

For the Governor and Company of the Bank of Ireland,

William Dowry,

Act^g Sec^y.

Appendix, N° 28.

(Ireland.)

An Account of the Amount of the ADVANCES of the Bank of Ireland, to Government.

THE Total Amount of Advances to Government at the present	}	£	s.	d.
period, all of which are secured by Treasury Bills, bearing an				
Interest of 4-per-Cent. and payable on the 5th July 1819 -				
		2,491,000	13	4

For the Governor and Company of the Bank of Ireland,

Dublin,
31st March 1819. }

William Dooling,
Acc^t Genl.

Appendix, N° 29.

(Ireland.)

An Account of the mode in which the ISSUES of the Bank of Ireland take place, whether upon Government Securities, Discounts of Mercantile Bills, Loans on Security of Stock, &c.

Issues are occasionally made by the Bank for the purchase of Exchequer and Treasury Bills.

Issues are made to Government on the Security of Treasury Bills alone.

Issues are made to Individuals upon Discount of Mercantile Bills and Notes, very seldom exceeding a period of 60 days to run; and occasionally upon Discount of Notes, not exceeding a period of 30 days to run, with a collateral Security of Government Stock alone.

For the Governor and Company of the Bank of Ireland.

Dublin,
31st March 1819. }

William Dooling,
Acc^t Genl.

Appendix, N° 30.

(Ireland.)

An Account of the Total Amount of OUTSTANDING DEMANDS on the Bank of Ireland, and likewise the Funds for discharging the same on the 30th January 1819.

1819:	}	Total Amount of Outstanding Demands on the Bank	}	£	s.	d.
January - 30.						
		of Ireland - - - - -		6,107,683	1	9

There was in the hands of the Bank at the same period, in Cash and Balances, Exchequer Bills, and Discounted Bills and Notes, an Amount sufficient for the Discharge of the whole of the said Demands, and a Fund remained fully sufficient to meet all Casualties.

For the Governor and Company of the Bank of Ireland,

Dublin,
31st March 1819. }

William Dooling,
Acc^t Genl.

Appendix, N° 31.

Comparative STATEMENT of the Notes of The British Linen Company, in Circulation, from the 1st January 1810, to the 26th February 1819; made up Quarterly.

(This Statement bears reference to the Amount of £1,000 of Notes in Circulation on the 5th January 1810; and the Sums in the different Columns bear an exact relative proportion thereto.)

	5th January 1810, - 1,000 -	5th April 1810, - 885 -	5th July 1810, - 1,005 -	5th October 1810, - 1075
	4th January 1811, - 1,002 -	5th April 1811, - 742 -	5th July 1811, - 904 -	4th October 1811, - 922
1812 - - -	3d January 1812, - 1,003 -	3d April 1812, - 942 -	3d July 1812, - 1,107 -	2d October 1812, - 1,110
1813 - - -	1st January 1813, - 1,148 -	2d April 1813, - 1,102 -	2d July 1813, - 1,300 -	1st October 1813, - 1,400
1814 - - -	7th January 1814, - 1,410 -	8th April 1814, - 1,289 -	8th July 1814, - 1,302 -	7th October 1814, - 1,310
1815 - - -	6th January 1815, - 1,389 -	7th April 1815, - 1,266 -	7th July 1815, - 1,217 -	6th October 1815, - 1,100
1816 - - -	5th January 1816, - 1,072 -	5th April 1816, - 997 -	5th July 1816, - 910 -	4th October 1816, - 882
1817 - - -	3d January 1817, - 1,041 -	4th April 1817, - 879 -	4th July 1817, - 822 -	3d October 1817, - 822
1818 - - -	2d January 1818, - 927 -	3d April 1818, - 872 -	3d July 1818, - 1,213 -	2d October 1818, - 1,205
1819 - - -	1st January 1819, - 1,334 -	26th February 1819, - 1,448 -	-	-

British Linen Company's Bank, Edinburgh,
10th March 1819.

This Statement is certified by
W^m Henderson, Secretary.

Appendix, N° 31.—continued.

SCALE OF NUMBERS, Exhibiting the Proportions which the Promissory Notes, payable on demand, issued by the Royal Bank of Scotland and in the Circle at the Periods under-mentioned, bear to each other.

1810: Jan. 1.	The Notes in the Circle at this Date being represented by - - -	1,000.	1814: Mar. 23.	At this Date they will be represented by - - -	554.
April 1.	Then at this Date they will be represented by - - -	873.	June 27.	D ^r - - - - -	551.
July 1.	D ^r - - - - -	874.	September 26.	D ^r - - - - -	559.
October 1.	D ^r - - - - -	877.	December 24.	D ^r - - - - -	647.
December 31.	D ^r - - - - -	1,086.	1815: Mar. 27.	D ^r - - - - -	460.
1811: April 1.	D ^r - - - - -	713.	June 24.	D ^r - - - - -	486.
July 1.	D ^r - - - - -	726.	September 23.	D ^r - - - - -	713.
September 30.	D ^r - - - - -	828.	December 23.	D ^r - - - - -	394.
December 31.	D ^r - - - - -	760.	1816: Mar. 23.	D ^r - - - - -	532.
1812: Mar. 30.	D ^r - - - - -	754.	June 24.	D ^r - - - - -	536.
June 29.	D ^r - - - - -	774.	September 21.	D ^r - - - - -	557.
September 28.	D ^r - - - - -	713.	December 23.	D ^r - - - - -	554.
December 28.	D ^r - - - - -	660.	1817: Mar. 24.	D ^r - - - - -	632.
1813: Mar. 29.	D ^r - - - - -	488.	June 23.	D ^r - - - - -	628.
June 28.	D ^r - - - - -	602.	September 20.	D ^r - - - - -	1,426.
September 27.	D ^r - - - - -	643.	December 20.	D ^r - - - - -	1,438.
December 27.	D ^r - - - - -	703.	1818: Mar. 23.	D ^r - - - - -	1,283.
			June 24.	D ^r - - - - -	1,245.
			September 21.	D ^r - - - - -	1,216.
			December 21.	D ^r - - - - -	1,131.

Royal Bank, Edinburgh,
10th March 1819.

Certified by
John Stirling,
Accountant Royal Bank.

STATEMENT of the relative Proportions which the Quarterly Amount of Notes issued by the Bank of Scotland bear to each other, expressed in a Scale of Numbers not representing the precise Amount in Circulation, but which bear to each other exactly the same proportion; from 1st January 1810 to 15th January 1819.

Note.—The Sums given represent the Averages of Notes in Circulation for each Quarter.

QUARTER, of 13 Weeks, Ending	SCALE, in which the highest Amount is represented by the Integer 1.	QUARTER, of 13 Weeks, Ending	SCALE, in which the highest Amount is represented by the Integer 1.
1810: March 25 -	.9287	1815: March 20 -	.5651
June 25 -	.9364	June 19 -	.5125
September 24 -	.9528	September 18 -	.5401
December 24 -	1.	December 18 -	.5801
1811: March 25 -	.9446	1816: March 18 -	.5018
June 24 -	.8734	June 17 -	.5728
September 23 -	.9043	September 16 -	.5728
December 23 -	.9399	December 16 -	.5229
1812: March 23 -	.8825	1817: March 17 -	.5215
June 22 -	.9023	June 16 -	.5407
September 21 -	.9244	September 15 -	.5220
December 21 -	.9158	December 15 -	.5347
1813: March 22 -	.8522	1818: March 16 -	.5612
June 21 -	.8166	June 15 -	.5480
September 20 -	.8128	September 14 -	.5500
December 20 -	.8773	December 14 -	.5179
1814: March 21 -	.8522	1819: February 13 } 9 weeks -	.5122
June 20 -	.8337		
September 19 -	.8087		
December 19 -	.8220		

Bank of Scotland,
20th March 1819.

James Mitchell,
Accountant.

Appendix, N° 32.

AN ACCOUNT of the Number of STAMPS of Post-office Notes Re-issuable, of each Class, that have been issued; from the 1st day of June 1810, to the latest period to which the same can be made up; distinguishing the Amount Issued in each Quarter, and the corresponding Produce in Money.

	NOT EXCEEDING £. 1. 1.			EXCEEDING £. 1. 1. And not Exceeding £. 2. 2.			EXCEEDING £. 2. 2. And not Exceeding £. 5. 5.		
	Date.	Number.	Duty.	Date.	Number.	Duty.	Date.	Number.	Duty.
			£. s. d.			£. s. d.			£. s. d.
From 1 June to 5 July 1810	4d.	860,322	4,240 10 —	8d.	13,100	437 6 8	1s.	44,487	2,224 7 —
Quarter ending 10 Oct'	—	712,218	31,024 10 4	—	26,070	809 — —	—	127,227	5,361 17 —
— " 5 Jan' 1811	—	523,264	2,524 8 —	—	16,347	408 4 8	—	108,057	5,402 17 —
— " 5 April —	—	474,075	7,887 18 4	—	6,804	228 10 —	—	111,229	5,119 10 —
— " 5 July —	—	744,094	19,377 1 4	—	12,211	407 — 8	—	127,204	7,315 8 —
— " 10 Oct'	—	944,372	35,744 17 8	—	15,211	207 — 8	—	125,225	5,628 15 —
— " 5 Jan' 1811	—	747,700	11,082 6 4	—	12,203	400 — —	—	122,221	5,621 11 —
— " 5 April —	—	709,000	14,785 12 4	—	11,278	325 18 8	—	124,429	5,122 10 —
— " 5 July —	—	704,442	11,707 8 4	—	18,620	621 — —	—	211,222	10,623 12 —
— " 10 Oct'	—	742,032	12,418 10 8	—	12,078	525 17 4	—	127,443	7,879 2 —
— " 5 Jan' 1812	—	975,407	10,427 15 8	—	24,422	814 8 —	—	326,420	15,221 10 —
— " 5 April —	—	873,008	14,051 9 8	—	21,178	737 5 4	—	256,025	12,804 5 —
— " 5 July —	—	802,177	13,220 12 4	—	20,881	1,048 14 —	—	212,400	10,070 1 —
— " 10 Oct'	—	1,126,272	12,044 17 8	—	20,803	1,023 10 8	—	121,228	5,604 8 —
— " 5 Jan' 1814	—	1,244,224	19,405 11 4	—	20,221	978 14 —	—	122,020	5,821 10 —
— " 5 April —	—	945,174	15,789 11 4	—	24,221	877 — 8	—	127,701	6,225 10 —
— " 5 July —	—	878,123	14,423 14 4	—	12,025	440 10 8	—	177,420	8,274 9 —
— " 10 Oct'	—	1,202,022	14,128 4 4	—	16,224	202 10 —	—	122,421	5,270 12 —
— " 5 Jan' 1815	—	804,220	11,120 8 4	—	20,704	820 10 8	—	141,170	7,028 10 —
— " 5 April —	—	527,023	8,225 11 —	—	10,210	220 12 8	—	122,021	4,274 1 —
— " 5 July —	—	526,807	8,246 15 8	—	9,041	221 7 4	—	82,214	4,225 14 —
— " 10 Oct'	—	212,028	2,520 12 8	—	5,220	91 12 4	—	21,220	1,020 1 —
— " 5 Jan' 1816	—	222,272	14,224 10 2	10d.	12,000	541 12 4	1s. 3d.	112,110	7,224 5 —
— " 5 April —	—	227,228	925 0 —	10d.	2,227	21 2 10	1s. 3d.	22,224	8,221 11 —
— " 5 July —	—	802,221	17,020 4 7	10d.	14,225	624 10 10	1s. 3d.	127,020	6,228 10 —
— " 10 Oct'	—	128,225	629 1 11	10d.	12,221	127 12 0	1s. 3d.	24,020	620 8 0
— " 5 Jan' 1817	—	427,127	10,120 8 1	10d.	2,220	127 10 —	1s. 3d.	112,228	7,224 5 —
— " 5 April —	—	425,223	729 16 3	10d.	7 —	— — —	1s. 3d.	21,220	225 2 0
— " 5 July —	—	421,025	8,221 3 4	10d.	7,220	215 — —	1s. 3d.	127,025	8,020 12 9
— " 10 Oct'	—	426,227	270 15 7	10d.	200 —	— 15 8	1s. 3d.	10,223	220 5 2
— " 5 Jan' 1818	—	441,220	9,020 1 8	10d.	6,420	228 15 —	1s. 3d.	82,125	2,220 16 3
— " 5 April —	—	27,149	213 9 5	10d.	5,210	41 15 8	1s. 3d.	24,147	221 15 9
— " 5 July —	—	228,228	10,421 4 7	10d.	5,100	224 8 4	1s. 3d.	122,025	5,224 1 2
— " 5 April —	—	712,224	12,079 — —	—	17,047	719 5 20	—	122,228	5,217 10 —
— " 5 July —	—	228,225	14,225 4 —	—	12,028	245 12 —	—	122,020	9,228 18 2
— " 10 Oct'	—	228,042	12,224 12 2	—	12,223	271 15 20	—	122,224	10,227 15 —
— " 5 Jan' 1818	—	1,020,222	11,449 8 5	—	24,270	1,048 — —	—	221,022	12,221 12 9
— " 5 April —	—	224,228	22,220 12 8	—	22,146	224 8 4	—	212,223	12,228 8 9
— " 5 July —	—	712,279	14,220 10 3	—	7,228	207 — —	—	122,228	11,218 12 9
— " 10 Oct'	—	1,120,221	14,223 7 11	—	12,228	227 8 4	—	227,228	10,225 7 8
— " 5 Jan' 1819	—	1,222,227	12,225 10 7	—	10,720	447 18 4	—	222,228	12,128 18 8

(20).—Account of the Number of Stamps of Provisional Notes Re-issuable of each Class, &c.—continued.

First Column of preceding page repeated.	EXCEEDING £ 5. 5 And not Exceeding £ 10.			EXCEEDING £ 5. 5 And not Exceeding £ 10.			EXCEEDING £ 10. And not Exceeding £ 15.		
	Rate.	Number.	Days.	Rate.	Number.	Days.	Rate.	Number.	Days.
			£. s. d.			£. s. d.			£. s. d.
From 1 June to 5 July 1810	1s. 6d.	11,103	244 14 6	"	"	"	"	"	"
Quarter ending 10 Oct' —	"	24,878	1,015 17 —	"	"	"	"	"	"
— " 5 Jan' 1811	"	46,604	3,517 15 —	"	"	"	"	"	"
— " 5 April —	"	57,000	4,342 10 —	"	"	"	"	"	"
— " 5 July —	"	60,000	4,515 1 6	"	"	"	"	"	"
— " 10 Oct' —	"	83,333	6,353 14 0	"	"	"	"	"	"
— " 5 Jan' 1811	"	80,471	7,010 6 6	"	"	"	"	"	"
— " 5 April —	"	75,000	5,000 0 —	"	"	"	"	"	"
— " 5 July —	"	83,333	6,353 14 0	"	"	"	"	"	"
— " 10 Oct' —	"	80,471	7,010 6 6	"	"	"	"	"	"
— " 5 Jan' 1812	"	108,228	8,350 7 —	"	"	"	"	"	"
— " 5 April —	"	100,000	7,500 0 0	"	"	"	"	"	"
— " 5 July —	"	75,000	5,000 0 —	"	"	"	"	"	"
— " 10 Oct' —	"	100,000	7,500 0 0	"	"	"	"	"	"
— " 5 Jan' 1814	"	80,538	6,350 7 —	"	"	"	"	"	"
— " 5 April —	"	87,120	6,968 8 6	"	"	"	"	"	"
— " 5 July —	"	80,538	6,350 7 —	"	"	"	"	"	"
— " 10 Oct' —	"	80,538	6,350 7 —	"	"	"	"	"	"
— " 5 Jan' 1815	"	80,471	7,010 6 6	"	"	"	"	"	"
— " 5 April —	"	87,120	6,968 8 6	"	"	"	"	"	"
— " 5 July —	"	80,471	7,010 6 6	"	"	"	"	"	"
— " 10 Oct' —	"	4,601	345 1 6	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 Jan' —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 April —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 July —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 10 Oct' —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 Jan' 1817	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 April —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 July —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 10 Oct' —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 Jan' 1818	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 April —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 July —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 10 Oct' —	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3
— " 5 Jan' 1819	"	"	"	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3	1s. 6d. Add 17,447	1,304 17 3

(2a).—Account of the Number of Stamps of Provisionary Notes Redeemable of each Class, &c.—continued.

First Column of page 220 repeated.	EXCEEDING £. 100. And not Exceeding £. 50.			EXCEEDING £. 50. And not Exceeding £. 20.			EXCEEDING £. 20. And not Exceeding £. 100.		
	Date.	Number.	Days.	Date.	Number.	Days.	Date.	Number.	Days.
From 1 June to 5 July 1810	1		£. s. d.	44. 6d.	43	10 0 0	74. 6d.	20	11 5 —
Quarter ending 10 Oct	2	523	78 15 —	—	100	10 10 —	—	121	56 10 6
— " 5 Jan ^r 1811	—	60	9 — —	—	10	0 5 —	—	82	30 15 —
— " 5 April —	—	630	97 10 —	—	100	36 — —	—	34	11 — —
— " 5 July —	—	10	1 10 —	—	—	— — —	—	420	157 10 —
— " 10 Oct ^r —	—	110	18 10 —	—	20	4 10 —	—	658	201 15 —
— " 5 Jan ^r 1811	—	68	10 4 —	—	25	5 10 6	—	73	27 7 6
— " 5 April —	—	500	75 — —	—	91	4 14 6	—	106	75 — —
— " 5 July —	—	308	43 6 —	—	30	6 15 —	—	170	63 15 —
— " 10 Oct ^r —	—	10	1 10 —	—	40	9 — —	—	21	7 17 6
— " 5 Jan ^r 1812	—	848	107 4 —	—	170	58 5 —	—	420	158 5 —
— " 5 April —	—	4	— 10 —	—	50	13 5 6	—	20	8 5 —
— " 5 July —	—	512	76 10 —	—	100	10 10 —	—	420	154 10 —
— " 10 Oct ^r —	—	450	67 10 —	—	—	— — —	—	50	7 10 —
— " 5 Jan ^r 1814	—	28	4 4 —	—	107	28 11 6	—	1,200	684 15 —
— " 5 April —	—	480	60 — —	—	100	60 15 —	—	414	155 5 —
— " 5 July —	—	100	18 — —	—	100	10 10 —	—	3	1 5 6
— " 10 Oct ^r —	—	—	— — —	—	150	10 15 —	—	420	161 5 —
— " 5 Jan ^r 1815	—	8	1 4 —	—	120	11 10 —	—	208	100 10 —
— " 5 April —	—	67	10 1 —	—	40	9 — —	—	—	—
— " 5 July —	{	105	15 15 —	—	410	50 5 —	—	60	10 10 —
— " 10 Oct ^r —	{	200	30 — —	5s.	200	50 — —	—	—	—
— " 5 Jan ^r 1816	{	9	1 7 —	4s. 6d.	23	5 3 6	—	10	3 15 —
— " 10 Oct ^r —	{	400	63 6 —	5s.	30	7 10 —	8s. 6d.	—	—
— " 5 Jan ^r 1817	{	10	1 10 —	5s.	10	1 10 —	8s. 6d.	15	8 10 —
— " 5 April —	{	13	1 10 —	5s.	100	4 3 —	10s. 7s. 6d.	520	16 10 —
— " 5 July —	{	—	— — —	5s.	48	7 — —	8s. 6d.	4	1 14 —
— " 10 Oct ^r —	{	3	— 6 —	5s.	7	— 3 6	10s. 7s. 6d.	20	1 10 —
— " 5 Jan ^r 1817	—	—	— — —	5s.	—	— — —	8s. 6d.	801	340 8 6
— " 5 April —	—	—	— — —	5s.	—	— — —	10s. 7s. 6d.	81	4 3 —
— " 5 July —	—	—	— — —	5s.	60	15 — —	8s. 6d.	—	—
— " 10 Oct ^r —	—	—	— — —	5s.	4	— 3 —	10s. 7s. 6d.	10	— 10 —
— " 5 Jan ^r 1817	—	—	— — —	5s.	31	7 15 —	8s. 6d.	200	85 — —
— " 5 April —	—	100	33 — —	—	30	7 10 —	—	5	1 5 6
— " 5 July —	—	11	3 3 —	—	21	8 5 —	—	301	128 8 6
— " 10 Oct ^r —	—	100	30 — —	—	173	43 5 —	—	605	257 8 6
— " 5 Jan ^r 1818	—	—	— — —	—	221	55 5 —	—	1,350	578 — —
— " 5 April —	—	—	— — —	—	300	80 — —	—	605	257 4 6
— " 5 July —	—	700	105 — —	—	298	64 10 —	—	640	270 — —
— " 10 Oct ^r —	—	—	— — —	—	65	16 5 —	—	1,050	446 5 —
— " 5 Jan ^r 1819	—	8	1 4 —	—	58	14 10 —	—	14	5 10 —

Comptroller's Office, Stamps,
15th February 1819.

C. R. Topham,
C. & A. G.

Appendix, N° 33.

AN ACCOUNT of the Produce of the Duties on Bills of Exchange and Promissory Notes not redeemable; from the Year 1809 to the 31st January 1819; being the latest period to which same can be made up.

	£.	s.	d.
For the Year - 1810 - - - -	288,753	8	6
— - - 1811 - - - -	335,570	16	7
— - - 1812 - - - -	310,872	16	8
— - - 1813 - - - -	337,529	19	4
— - - 1814 - - - -	354,504	7	5
— - - 1815 - - - -	673,116	5	2
— - - 1816 - - - -	581,431	6	11
— - - 1817 - - - -	329,563	7	—
— - - 1818 - - - -	589,331	9	11

Comptroller's Office, Stamps,
15th February 1819. }

C. E. Tryan,
C. & A. G.

Appendix, N° 34.

AN ACCOUNT of the DUTIES on PROMISSORY NOTES Redeemable.—Discharging
from 5 January 1810, to the latest period

QUARTER	NOT REDEMING		REDEMING		EXCHANGING		REDEMING	
	£ s. d.		£ s. d.		£ s. d.		£ s. d.	
	Rece.	Debt.	Rece.	Debt.	Rece.	Debt.	Rece.	Debt.
Ending 5 April 1810	4 d.	14,214 18 —	8 d.	1,571 14 8	1 s.	5,822 16 —	12 s. 6 d.	5,947 13 6
— 5 July —	—	14,311 13 4	—	813 6 3	—	10,321 12 —	—	5,932 16 —
— 10 Oct —	—	11,281 10 4	—	619 — —	—	5,822 17 —	—	4,615 17 —
— 5 Jan ^y 1811	—	5,054 8 —	—	403 4 8	—	5,408 17 —	—	3,517 16 —
— 5 April —	—	7,807 18 4	—	200 16 —	—	5,119 10 —	—	4,344 18 —
— 5 July —	—	10,277 1 4	—	407 — 8	—	7,222 8 —	—	4,515 1 6
— 10 Oct —	—	15,741 17 8	—	597 — 8	—	9,088 15 —	—	6,023 14 6
— 5 Jan ^y 1812	—	12,023 6 4	—	493 8 —	—	5,026 11 —	—	7,010 4 0
— 5 April —	—	11,780 13 4	—	315 18 6	—	5,119 10 —	—	5,408 17 —
— 5 July —	—	11,707 8 4	—	621 — —	—	10,826 13 —	—	6,421 4 6
— 10 Oct —	—	12,418 16 8	—	633 17 4	—	7,871 3 —	—	4,400 19 6
— 5 Jan ^y 1813	—	10,197 15 8	—	814 8 —	—	15,821 16 —	—	8,250 7 —
— 5 April —	—	14,021 8 8	—	737 5 4	—	12,824 2 —	—	7,867 1 6
— 5 July —	—	13,129 12 4	—	1,008 14 —	—	12,020 1 —	—	8,423 1 —
— 10 Oct —	—	18,048 17 0	—	1,033 10 4	—	6,034 0 —	—	4,408 3 —
— 5 Jan ^y 1814	—	21,425 11 4	—	978 14 —	—	5,821 10 —	—	6,400 7 —
— 5 April —	—	15,753 11 4	—	877 — 8	—	6,823 18 —	—	4,025 8 8
— 5 July —	—	14,823 14 4	—	446 16 8	—	8,824 9 —	—	4,406 11 0
— 10 Oct —	—	14,158 4 4	—	568 16 —	—	5,072 18 —	—	4,104 16 6
— 5 Jan ^y 1815	—	12,120 5 4	—	850 2 8	—	7,026 10 —	—	4,747 7 —
— 5 April —	—	8,023 11 —	—	250 14 8	—	6,974 1 —	—	3,802 11 —
— 5 July —	—	8,146 15 8	—	331 7 4	—	4,925 14 —	—	4,025 18 6
— 10 Oct —	—	24,500 10 8	—	51 13 4	—	1,020 1 —	—	345 1 6
— 5 Jan ^y 1816	—	14,734 18 7	—	541 13 4	—	7,321 2 —	—	—
— 5 April —	—	905 9 —	—	32 8 10	—	8,02 11 —	—	—
— 5 July —	—	17,020 4 7	—	604 10 10	—	8,278 10 —	—	—
— 10 Oct —	—	622 1 11	—	127 12 6	—	1,027 6 0	—	—
— 5 Jan ^y 1817	—	10,140 3 1	—	127 10 —	—	7,204 5 —	—	—
— 5 April —	—	189 13 3	—	—	—	129 8 0	—	—
— 5 July —	—	5,021 3 4	—	315 — —	—	8,019 13 0	—	—
— 10 Oct —	—	476 15 7	—	— 16 8	—	200 5 0	—	—
— 5 Jan ^y 1818	—	5,006 1 8	—	108 15 —	—	5,371 16 3	—	—
— 5 April —	—	812 0 5	—	41 16 6	—	321 16 0	—	—
— 5 July —	—	12,463 4 7	—	254 8 4	—	8,874 1 3	—	—
— 10 Oct —	—	12,078 — —	—	710 5 10	—	5,027 10 —	—	—
— 5 Jan ^y 1819	—	14,025 4 4	—	842 15 —	—	5,020 16 3	—	—
— 5 April —	—	12,702 11 3	—	271 15 10	—	10,127 15 —	—	—
— 5 July —	—	21,440 5 6	—	1,028 — —	—	12,323 13 0	—	—
— 10 Oct —	—	22,800 11 8	—	954 8 4	—	12,880 8 0	—	—
— 5 Jan ^y 1820	—	14,830 16 3	—	377 — 4	—	11,816 13 0	—	—
— 5 April —	—	24,253 7 11	—	827 8 4	—	12,405 7 6	—	—
— 5 Jan ^y 1821	—	16,825 10 7	—	447 18 4	—	12,120 12 6	—	—

Appendix, N^o 34.

the Rate of Duty, and the Amount received for each Class of Promissory Notes; in each Quarter, to which the same can be made up.

EXCEEDING £. s. d. And not Exceeding £. 10.		EXCEEDING £. 10. And not Exceeding £. 20.		EXCEEDING £. 20. And not Exceeding £. 30.		EXCEEDING £. 30. And not Exceeding £. 50.		EXCEEDING £. 50. And not Exceeding £. 100.	
Rate.	Duty.	Rate.	Duty.	Rate.	Duty.	Rate.	Duty.	Rate.	Duty.
—	£. s. d.	—	£. s. d.	3s.	0 3 —	4s. 6d.	£. s. d.	7s. 6d.	£. s. d.
—	—	—	—	—	7 13 —	—	5 8 —	—	10 10 —
—	—	—	—	—	15 15 —	—	12 10 —	—	20 10 —
—	—	—	—	—	9 — —	—	1 5 —	—	10 15 —
—	—	—	—	—	27 10 —	—	20 — —	—	14 — —
—	—	—	—	—	1 10 —	—	—	—	12 10 —
—	—	—	—	—	15 10 —	—	4 10 —	—	20 15 —
—	—	—	—	—	10 4 —	—	5 10 6	—	27 7 6
—	—	—	—	—	75 — —	—	4 14 6	—	75 — —
—	—	—	—	—	45 6 —	—	0 12 —	—	63 15 —
—	—	—	—	—	1 10 —	—	9 — —	—	7 17 6
—	—	—	—	—	117 4 —	—	38 8 —	—	158 5 —
—	—	—	—	—	— 15 —	—	13 8 6	—	8 5 —
—	—	—	—	—	75 16 —	—	22 10 —	—	184 10 —
—	—	—	—	—	67 10 —	—	—	—	7 10 —
—	—	—	—	—	4 4 —	—	28 11 6	—	684 15 —
—	—	—	—	—	69 — —	—	65 12 —	—	155 5 —
—	—	—	—	—	18 — —	—	22 10 —	—	1 8 6
—	—	—	—	—	—	—	20 15 —	—	168 5 —
—	—	—	—	—	1 4 —	—	21 10 —	—	169 10 —
—	—	—	—	—	12 1 —	—	9 — —	—	—
—	—	—	—	—	15 15 —	—	99 5 —	—	20 10 —
—	—	—	—	—	30 — —	—	54 — —	—	—
—	—	—	—	—	1 7 —	—	5 3 6	—	3 15 —
1s. 6d. Add	1504 17 3	—	—	—	63 6 —	4s. 6d. 5s. Add	7 10 —	8s. 6d. Add	—
2s. 6d. Add	150 7 9	2s. 6d. Add	150 18 —	—	—	2d. 6d. Add	1 1 6	1s. 6d. Add	30 6 —
1s. 6d. 2s. 6d.	5791 18 — 150 8 6	1s. 6d. 2s. 6d.	644 6 — 60 14 —	—	1 10 —	—	4 10 —	8s. 6d. 10s. 6d.	6 10 — 20 10 —
1s. 6d. 2s. 6d.	2478 13 8 30 12 2	1s. 6d. 2s. 6d.	865 18 — 60 2 8	—	1 10 —	—	7 — —	8s. 6d. 10s. 6d.	1 14 — 1 10 —
1s. 6d. 2s. 6d.	2881 4 9 44 8 9	1s. 6d. 2s. 6d.	467 16 — 19 3 8	—	—	—	—	8s. 6d. 10s. 6d.	340 8 6 4 8 —
1s. 6d. 2s. 6d.	1585 17 — 68 18 3	1s. 6d. 2s. 6d.	475 18 — 10 8 —	—	—	—	15 — —	8s. 6d. 10s. 6d.	— — 10 —
1s. 6d. 2s. 6d.	4305 11 — 5064 14 3	1s. 6d. 2s. 6d.	818 10 — 630 19 —	—	—	—	7 15 —	8s. 6d. 10s. 6d.	85 — — 5 8 6
—	4308 7 9	—	1260 8 —	—	3 3 —	—	5 5 —	—	858 8 6
—	4308 6 6	—	804 2 —	—	30 — —	—	43 5 —	—	257 9 6
—	8005 4 3	—	1583 14 —	—	—	—	55 5 —	—	578 — —
—	8005 5 —	—	1118 4 —	—	— 9 —	—	80 — —	—	257 1 6
—	4831 4 6	—	1735 — —	—	105 — —	—	64 10 —	—	274 — —
—	3744 1 9	—	1701 18 —	—	—	—	26 5 —	—	446 5 —
—	4305 18 9	—	1119 14 —	—	1 4 —	—	14 10 —	—	5 19 —

Appendix, N^o 35.

AN ACCOUNT of the Number of LICENCES for the issue of Promissory Notes payable on Demand, which were granted by, or by authority of the Commissioners of Stamps, from 10th October 1809 to the latest Period to which the same can be made up.

	Number of Licences granted in England and Wales.	Number of Licences granted in Scotland.
From 10th October 1809 to 10th October 1810 - - -	582	36
— 10th October 1810 to 10th October 1811 - - -	770	46
— 10th October 1811 to 10th October 1812 - - -	805	53
— 10th October 1812 to 10th October 1813 - - -	922	66
— 10th October 1813 to 10th October 1814 - - -	960	80
— 10th October 1814 to 10th October 1815 - - -	916	91
— 10th October 1815 to 10th October 1816 - - -	831	85
— 10th October 1816 to 10th October 1817 - - -	754	79
— 10th October 1817 to 10th October 1818 - - -	763	76
— 10th October 1818 to 5th January 1819 - - -	747	80

Stamp Office,
15th February 1819.

Sam^l JEN,
Distributor, &c.

Appendix, N° 36.

ROYAL HOSPITAL, GREENWICH, 1st February 1819.

An Account of the CONTRACT PRICES of the following Articles of PROVISION, &c. for the several Years respectively mentioned.

Year.	Price, per Cwt.	Weight, Lb.	Price, each.	Price, lb.	Quantity, Lb.	Price, Bristol.	Quantity, Bristol.	Price, Bristol.	Quantity, Bristol.	Price, Bristol.	Quantity, Bristol.	Price, Bristol.	Quantity, Bristol.
	s. d.	Average.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1799	25 8	1 for ox. 10 1/2	- -	0 4 1/2	0 3 1/2	4 0	4 5	5 0	10 0	45 0			
1799	25 8	1 for ox. 14 1/2	- -	0 5	0 3 1/2	4 0	4 5	5 0	10 6	45 10			
1798	16 11	1 for ox. 11 1/2	- -	0 3 1/2	0 3 1/2	3 0	4 0	4 0	10 3	50 5 1/2			
1799	28 0	1 for ox. 9 1/2	- -	0 5	0 3 1/2	3 0	4 0	4 0	17 3 1/2	50 7 1/2			
1798	28 8	1 for ox. 15 1/2	- -	0 3 1/2	0 3 1/2	3 0	4 0	4 0	13 1	71 1			
1799	28 8	1 for ox. 13 1/2	- -	0 5 1/2	0 3 1/2	3 0	4 0	4 0	14 0	104 0			
1798	27 9 1/2	1 for ox. 14 1/2	- -	0 5 1/2	0 3 1/2	3 0	4 0	4 0	12 0	88 0			
1799	31 6	1 for ox. 13 1/2	- -	0 5 1/2	0 3 1/2	3 0	4 0	4 0	14 9	90 4			
1798	27 3	1 for ox. 9 1/2	- -	0 5 1/2	0 3 1/2	3 0	4 0	4 0	30 8	143 6			
1799	28 8	1 for ox. 11 1/2	- -	0 5 1/2	0 3 1/2	4 3	4 9	4 8	28 3	116 4			
1798	33 5	1 for ox. 9 1/2	- -	0 5 1/2	0 3 1/2	7 0	5 3	4 8	17 3	95 6			
1799	30 6	1 for ox. 11 1/2	- -	0 5 1/2	0 3 1/2	7 0	5 3	4 8	31 3	94 8			
1798	37 6 1/2	1 for ox. 10 1/2	- -	0 5 1/2	0 3 1/2	7 0	5 3	4 8	40 3	106 4			
1799	32 10	- - -	42 4	0 0 1/2	0 4	7 0	5 3	4 8	38 6	123 9			
1798	40 10	- - -	45 8	0 0 1/2	0 5 1/2	9 0	6 4 1/2	6 1 1/2	48 3	147 10			
1800	64 4	- - -	58 0	0 11 1/2	0 6 1/2	13 5	14 0	14 0	84 0	16 12 9			
1801	60 4	- - -	58 3	0 11 1/2	0 7 1/2	7 9	12 0	10 10 1/2	85 7	6 11 0			
1802	61 0	- - -	69 7 1/2	0 11 1/2	0 7 1/2	8 4 1/2	10 3	10 9	76 0	6 7 9			
1803	62 0	- - -	61 6 1/2	1 0 1/2	0 7 1/2	14 4 1/2	9 4 1/2	10 9	75 1 1/2	5 10 0			
1804	63 0	- - -	69 10 1/2	1 0 1/2	0 7 1/2	13 3 1/2	10 10	10 9	76 1 1/2	4 10 6			
1805	60 6	- - -	65 1 1/2	1 1	0 8	14 10 1/2	11 9	10 9	84 5 1/2	7 6 8			
1810	70 0	- - -	88 4	1 1 1/2	0 3 1/2	9 5	11 7	10 9	84 5	7 6 8			
1811	74 0	- - -	91 0	1 2 1/2	0 5 1/2	8 9	11 6	10 9	73 6	7 13 6			
1812	78 0	- - -	107 5	1 2 1/2	0 3 1/2	12 8 1/2	13 3	10 9	56 6	9 17 0			
1813	85 0	- - -	93 0	1 3	0 3 1/2	13 3 1/2	13 3	10 9	56 6	11 11 8			
1814	74 6	- - -	70 6	1 3	0 3 1/2	9 4	10 4	10 9	77 8	9 10 0			
1815	68 0	- - -	44 9	1 3	0 3	6 7 1/2	10 3	10 9	69 7 1/2	9 13 7			
1816	54 4	- - -	64 1	0 9 1/2	0 6 1/2	7 0 1/2	9 8	10 9	69 4 1/2	14 0 9			
1817	51 4	- - -	65 4	0 8 1/2	0 5 1/2	8 6 1/2	13 9	10 9	80 10 1/2	22 4 0			
1818	69 0	- - -	65 11	0 11	0 6	10 9	13 6	10 9	80 9	7 12 0			

Continued
on the
next page.

(56).—Royal Hospital, Greenwich :—Account of the Contract Prices of Articles of Provisions, &c.—continued.

Time expended from proceeding day	Days. Dated.	Expenses, per day.	Breadstuffs, per day.	Meats, per day.	Flour, per day.	Candles, per day.	Stews, per day.	Cook, per Cook.	Mops, each.	Buckings, per pack.	Hos., each.
1739	- -	- -	- -	- -	- -	5 5	4 0	28 5	9 10½	1 9	2 8
1739	3 9	{ Carr 2 6 Johnson 2 8	2 6	2 6	3 0	6 4	4 0	24 8	per above, 120 0	1 6	2 8
1739	4 1½	{ 2 6 2 8	2 6	2 6	3 0	4 1	4 0	25 0	10 6	1 6	2 2
1740	5 2½	{ 2 6 2 8	2 6	2 8	3 0	5 6	3 10	20 0	10 0	1 6	2 0
1740	5 1½	{ 2 6 2 8	2 6	2 8	2 6	6 0	3 6	30 0	11 0	1 6	2 0
	5 2½	{ 2 6 2 8	2 6	2 8	2 6	6 2	3 9	27 7½	10 9	1 6	2 0
	4 5½	{ 2 6 2 8	2 6	2 8	2 6	6 10	4 0	28 7½	11 0	1 8	2 0
	7 7½	{ 2 6 2 8	2 6	2 8	2 6	6 6	4 0	32 8	12 0	1 8	2 0
	7 2½	{ 2 6 2 8	2 4	2 8	3 0	6 2	4 0	32 4½	11 3	1 8	2 6
	5 10	{ 2 6 2 8	2 4	2 8	3 0	6 10½	4 0	29 1½	12 0	1 8	2 6
	7 1½	{ 2 6 2 8	2 4	2 10	3 0	6 3	3 10	32 11½	10 6	1 4	2 2
	7 3½	{ 2 6 2 8	2 4	2 10	3 0	6 9½	3 11½	37 2½	12 0	1 6	2 2
18	8 2½	{ 2 6 2 8	2 4	2 10	3 0	6 6	3 6	34 2½	12 0	1 6	2 4
1800	8 7	{ 2 6 2 10	2 4	2 10	3 2	7 9	3 11½	34 4½	14 0	1 6	2 6
	10 4½	{ 2 6 2 10	3 0	2 10	3 2	9 2	4 0	32 9	15 0	1 6	2 9
	10 4½	{ 2 6 2 10	3 0	2 10	3 2	10 4	5 8	32 7	15 0	1 6	2 9
1801	17 9½	4 6	4 10	5 0	4 6	10 7	5 9	31 2½	17 0	2 8	3 0
1802	16 2½	4 6	4 8	5 0	4 6	10 2	5 9	33 4	17 0	2 2	3 0
1803	15 5	5 0	4 8	5 0	4 6	9 10	5 0	34 0	17 0	2 2	3 0
1803	16 5½	5 0	5 0	5 0	4 6	12 1½	5 0	36 9½	17 0	2 8	3 0
1803	17 0	5 4	5 1	5 1	5 3	14 5½	5 8	36 8½	17 0	2 2	3 0
1810	17 10	5 8	5 2	5 3	5 9	12 0	5 6	36 8	17 0	2 2	3 0
1811	16 3½	5 6	5 5	5 9	5 9	12 9½	4 11	31 6	17 0	2 2	3 0
1812	16 9½	5 6	5 5	5 9	5 9	12 6	4 11	30 1	17 0	2 6	3 0
1813	11 10½	5 6	5 5	5 9	5 9	14 2	4 8	36 7½	18 0	2 6	3 0
1814	17 3½	5 6	5 5	5 9	5 9	14 6	4 8	36 1½	30 0	3 2	3 0
1815	15 4½	5 6	5 1	5 9	5 9	12 7	4 7	32 6½	30 0	3 2	3 0
1816	15 8	5 2	5 1	5 3	5 6	9 2	4 7	40 6½	30 0	2 9	3 0
1817	16 7	5 2	5 1	5 3	5 9	9 10	3 10	46 7	30 0	2 8	3 0
1818	19 7	5 2	5 1	5 3	5 9	12 1	3 10	46 6	30 0	2 11	3 0

(Signed) R. Smith,

Clerk of the Clock.

Appendix, N^o 37.

An Account of the Quantity and Value of the different Sorts of Foreign CORN, GRAIN, and MEAL, of every description, remaining in Warehouse (under the King's Locks) at the Port of London, on the 3d March 1819.

	Quantity.			Value.		
	Cwt.	qrs.	lbs.	£.	s.	d.
Foreign Wheat Flour - - -	2	2	11	4	6	6

Custom House, London, }
5th March 1819.

W^m Ellis Irving.

Appendix, N^o 38.

An Account of the Quantity and Value of the different Sorts of Foreign CORN, GRAIN, and MEAL, of every description, remaining in Warehouse (under the King's Locks) at the Out Ports of England and Wales, on the 5th March 1819.

	Quarters.	Bush.
Wheat - at Dover - - - - -	650	—
D ^o - at Grimsby - - - - -	307	—
Total Quantity - - -	957	—
Value at 84s. 1d. per Quarter - - -	£. 4,042	7 3

Custom House, London, }
15th March 1819.

W^m Irving.

Appendix, N° 35.—AN ACCOUNT OF THE QUANTITY OF CORN, GRAIN, MEAL,
From the Year 1792 to the latest Period to which the same can be made up; together with the

QUANTITY OF CORN AND GRAIN, MEAL AND FLOUR OF ALL SORTS,
In each Year from 1792

YEARS.	CORN AND GRAIN.							
	Barley.	Berse.	Indian Corn.	Malt.	Oats.	Potatoes.	Rye.	Wheat.
1792 - - -	Quenters.	Quenters.	Quenters.	Quenters.	Quenters.	Quenters.	Quenters.	Quenters.
1793 - - -	112,080	30,603	3,877	-	450,076	4,713	10,536	18,021
1794 - - -	144,814	23,408	8	-	470,034	18,553	23,534	41,296
1795 - - -	111,370	21,336	1,600	-	424,370	40,368	24,038	31,686
1796 - - -	18,070	13,813	20,022	-	102,128	20,003	11,207	27,438
1797 - - -	40,023	14,307	23,410	-	420,032	38,711	160,683	220,381
1798 - - -	31,030	16,807	107	-	274,020	17,818	2,258	420,414
1799 - - -	60,502	8,240	21	-	411,426	21,630	6,022	37,340
1800 - - -	10,387	3,427	3	-	170,423	8,520	22,021	430,274
1801 - - -	120,828	16,796	2,426	-	544,823	10,796	128,713	1,170,432
1802 - - -	112,086	16,446	44,472	-	522,402	44,918	10,847	1,182,137
1803 - - -	8,126	4,128	707	-	241,348	10,228	14,883	270,528
1804 - - -	1,148	85	863	-	234,700	23,681	3,247	224,022
1805 - - -	2,074	2,308	242	-	200,363	12,270	2,428	226,194
1806 - - -	27,642	2,707	16	-	275,102	2,283	24,032	221,164
1807 - - -	2,028	1,043	108	-	122,028	171	283	126,562
1808 - - -	3,043	1,007	1,060	-	422,032	4,820	7,202	212,776
1809 - - -	4,601	2,674	4,207	1,022	34,630	12,807	4,704	22,720
1810 - - -	13,241	27,297	1,260	532	226,011	33,071	13,047	242,726
1811 - - -	17,023	11,622	26	823	115,016	12,023	20,116	1,204,377
1812 - - -	20,000	207	13	1,423	11,446	4,004	27,763	170,642
1813 - - -	42,375	18	17	256	14,206	621	71,771	122,811
1814 - - -	10,827	000	222	9	60,440	7,226	24,402	240,346
1815 - - -	28,687	37,854	1	4	220,156	2,206	6,040	200,001
1816 - - -	2,022	11,043	3	-	120,214	1,227	424	124,022
1817 - - -	14,202	25	-	-	72,777	820	15,074	200,302
1818 - - -	122,423	2,222	2	-	272,007	12,147	126,217	716,512
1819 - - -	62,622	11,244	1,421	-	222,723	01,027	72,021	1,420,072

Office of the Inspector General of Imports and Exports,
London, 24 March 1819.

AND FLOUR OF ALL SORTS,) IMPORTED INTO THE PORTS OF GREAT BRITAIN,
Average Prices of all kinds of Grain, on the 1st January and the 1st July in each Year.

IMPORTED INTO GREAT BRITAIN FROM FOREIGN PARTS,
to 1813, both inclusive.

MEAL AND FLOUR					TOTAL OF ALL SORTS.	
Barley Meal	Indian Meal	Oat Meal	Rye Meal	Wheat Meal and Flour	Corn and Oats.	Meal and Flour.
Cents.	Cents.	Cents.	Cents.	Cents.	Quarters.	Cents.
" " "	" " "	" " "	" " "	7,737	649,338	7,737
" " "	" " "	" " "	" " "	811,588	1,088,781	811,588
" " "	" " "	" " "	3,793	5,308	1,088,348	13,013
" " "	" " "	8	37,535	86,796	451,000	184,323
" " "	20,852	12	11,561	205,333	1,270,377	258,132
" " "	14	2	" " "	4,769	789,824	3,785
" " "	" " "	" " "	" " "	1,334	891,013	1,334
" " "	" " "	" " "	" " "	1,650	632,924	6,434
" " "	9,471	7	11,015	319,367	1,037,765	343,870
" " "	113,141	63	127,404	332,016	1,087,614	1,123,714
" " "	15,323	" " "	1,066	196,001	757,004	152,726
" " "	146	14	" " "	309,403	377,484	309,403
" " "	8	8	" " "	17,080	295,726	17,080
" " "	87	" " "	" " "	54,739	1,165,071	54,739
" " "	18	" " "	3	248,607	394,136	248,607
" " "	4	" " "	" " "	304,109	687,869	304,109
116	5	78	3	19,648	106,751	19,648
31	" " "	801	543	497,314	691,126	497,314
153	3	3	3,006	471,633	1,533,449	471,633
778	13	410	166	39,215	265,613	39,215
103	" " "	645	3,036	49,104	143,833	53,036
30	885	25	813	3,600	464,008	5,460
" " "	1	1	" " "	81,743	333,449	81,743
" " "	" " "	154	4,158	204,056	170,462	207,288
" " "	" " "	" " "	" " "	15,736	308,123	25,796
1,834	531	1	18,581	1,093,831	1,079,182	1,114,379
4	" " "	2	" " "	604,817	1,040,621	604,817

(continued.)

William Irving.

QUANTITY OF CORN AND GRAIN, MEAL AND FLOUR OF ALL SORTS, IMPORTED

In each Year from 1799

YEARS.	CORN AND GRAIN.						
	Barley.	Broom.	Malt.	Oats.	Pease.	Rye.	Wheat.
1799	Quentrs.	Quentrs.	Quentrs.	Quentrs.	Quentrs.	Quentrs.	Quentrs.
1799	3,445	1,847	-	481,031	9	431	1,270
1800	4,425	3,218	-	503,485	-	30	13,854
1801	15,198	1,847	-	561,553	-	414	8,551
1802	-	1,284	-	535,000	-	-	13,408
1803	-	879	-	580,415	-	-	-
1804	14,008	587	-	583,053	-	-	35,489
1805	40,180	2,717	-	510,579	51	-	16,887
1806	151	1,263	-	514,857	-	-	14,573
1807	78	-	-	640	-	-	121
1808	-	-	-	505	-	-	-
1809	7,116	1,555	4,503	575,088	713	280	86,039
1810	10,839	1,533	25	530,217	611	520	41,008
1811	1,501	2,000	-	158,758	1,078	205	85,850
1812	15,856	1,009	-	186,144	1,834	235	78,650
1813	3,397	2,561	-	346,814	1,588	330	91,343
1814	23,018	3,777	-	559,003	1,390	431	44,835
1815	34,554	2,005	-	535,483	75	873	44,338
1816	16,619	2,885	-	500,446	38	445	64,761
1817	8,198	3,540	-	461,000	216	50	104,001
1818	2,713	4,080	-	526,650	50	21	118,050
1819	43,146	5,008	-	526,000	51	177	135,160
1820	63,550	4,455	-	645,447	77	400	171,334
1821	15,344	5,781	-	536,083	335	4	187,509
1822	47,599	6,400	-	576,535	437	213	161,065
1823	63,608	6,075	-	682,437	280	63	20,465
1824	27,580	4,051	-	603,047	15	-	55,917
1825	25,108	4,768	-	1,004,117	20	4	22,813

Office of the Inspector General of Imports and Exports, }
 London, 2d March 1826.

INTO GREAT BRITAIN FROM IRELAND AND THE ISLE OF MAN,
in 1843, both inclusive.

MEAL AND FLOUR.					TOTAL OF ALL SORTS.	
Barley Meal.	Bran Meal.	Oat Meal.	Rye Meal.	Wheat Meal and Flour.	Corn and Oats.	Meal and Flour.
Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Quart.	Cwt.
- - -	- - -	110,030	- - -	- - -	434,304	110,030
- - -	- - -	35,130	- - -	1,020	130,066	36,150
- - -	- - -	26,846	- - -	1,141	382,003	28,987
- - -	- - -	30,304	- - -	2,796	337,312	34,100
- - -	- - -	55,881	- - -	11	184,023	55,892
- - -	- - -	71,304	- - -	14,257	206,337	85,564
- - -	- - -	81,851	- - -	1,864	280,864	84,715
- - -	- - -	24,136	- - -	1,898	341,344	26,034
- - -	- - -	8,782	- - -	1,164	849	4,641
- - -	- - -	14	- - -	1,334	396	1,348
- - -	- - -	105,040	- - -	70,441	223,496	184,074
- - -	- - -	35,593	- - -	45,538	105,065	100,320
- - -	- - -	64,843	- - -	14,635	271,073	79,480
- - -	- - -	26,969	- - -	18,824	284,270	45,793
- - -	- - -	47,558	- - -	28,018	411,553	86,476
304	- - -	31,444	- - -	8,334	445,074	41,742
761	- - -	60,016	- - -	2,143	611,158	72,811
- - -	- - -	74,815	- - -	11,770	882,058	84,585
431	- - -	80,231	- - -	88,512	575,208	100,164
- - -	- - -	30,036	- - -	68,169	321,285	98,115
399	- - -	54,186	- - -	82,823	535,004	145,074
- - -	- - -	71,681	- - -	26,369	883,023	223,000
- - -	- - -	47,040	- - -	143,787	706,100	100,807
- - -	- - -	34,035	- - -	106,403	773,191	100,458
5	- - -	33,003	- - -	82,004	832,671	115,312
128	- - -	26,333	1,813	14,143	679,539	51,600
180	231	207,008	- - -	46,691	1,135,880	748,111

(continued)

William Irving,

AN ACCOUNT of the AVERAGE PRICES of GRAIN, per Quarter, in ENGLAND and WALES, on 1st January and 1st July in each Year, from 1792 to 1819; both inclusive.

				Wheat.		Rye.		Barley.		Oats.		Beans.		Peas.		Oat Meal.	
				s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
1792	January	1	-	42	4	30	2	27	2	17	0	21	8	28	10	32	3
	July	-	1	39	2	29	0	24	8	17	6	20	0	20	10	30	9
1793	January	1	-	47	8	31	8	29	10	18	6	34	8	35	0	36	11
	July	-	1	34	3	27	1	22	3	14	5	20	7	28	3	42	9
1794	January	1	-	49	8	36	5	30	5	22	1	40	10	41	4	39	3
	July	-	1	31	8	27	9	21	8	12	1	40	9	41	10	27	11
1795	January	1	-	35	7	30	4	34	4	20	11	41	6	32	10	41	0
	July	-	1	27	0	27	3	41	10	27	8	47	11	28	10	46	0
1796	January	1	-	39	10	34	1	26	7	24	5	43	0	46	8	46	0
	July	-	1	31	5	46	9	34	3	21	3	32	2	43	1	44	11
1797	January	1	-	55	0	36	7	29	3	18	1	31	6	36	6	30	5
	July	-	1	40	9	29	6	24	4	16	0	24	2	30	10	30	0
1798	January	1	-	51	5	30	10	29	0	17	9	29	3	30	0	36	11
	July	-	1	30	4	30	1	29	4	20	7	20	8	22	9	38	7
1799	January	1	-	40	2	29	3	29	4	19	7	30	5	35	9	38	8
	July	-	1	34	4	44	6	35	11	30	3	44	8	45	0	46	2
1800	January	1	-	104	7	69	10	48	11	32	5	63	1	50	8	61	5
	July	-	1	104	5	63	1	60	1	31	1	70	5	78	10	69	5
1801	January	1	-	120	0	102	2	80	11	43	11	78	7	84	3	74	8
	July	-	1	120	8	84	1	69	7	37	5	63	1	68	11	73	8
1802	January	1	-	75	6	48	2	44	0	23	4	44	7	44	3	44	5
	July	-	1	67	8	44	1	34	3	19	8	34	7	36	0	37	0
1803	January	1	-	87	1	39	0	28	7	16	0	35	0	30	9	37	1
	July	-	1	64	4	26	11	24	9	12	8	34	6	35	11	40	3
1804	January	1	-	52	3	32	3	23	11	11	7	37	5	42	3	40	9
	July	-	1	52	1	34	0	27	3	14	1	36	11	36	5	39	6
1805	January	1	-	86	2	52	9	43	10	28	11	48	5	52	0	49	6
	July	-	1	89	0	58	0	43	0	18	0	46	11	48	9	44	6
1806	January	1	-	75	11	44	7	27	5	26	7	43	2	42	7	42	10
	July	-	1	61	10	48	7	27	10	28	9	43	11	44	4	44	7
1807	January	1	-	76	9	48	9	40	8	27	3	45	8	48	3	44	3
	July	-	1	73	5	41	1	26	8	28	6	43	3	50	1	44	9
1808	January	1	-	69	5	47	3	30	3	29	8	55	4	71	0	46	7
	July	-	1	61	1	50	0	44	7	26	3	43	3	64	1	53	0
1809	January	1	-	90	4	50	4	44	6	30	4	64	4	70	1	51	4
	July	-	1	88	1	56	5	44	4	29	11	59	4	61	9	50	3
1810	January	1	-	101	0	60	4	50	6	30	3	66	8	87	5	53	1
	July	-	1	113	4	64	8	49	9	29	0	55	4	59	6	54	3
1811	January	1	-	94	7	51	0	41	7	26	3	59	4	53	0	50	5
	July	-	1	86	11	43	6	38	6	27	5	48	9	44	4	46	9
1812	January	1	-	106	7	55	11	51	4	34	10	67	3	64	3	50	1
	July	-	1	140	9	60	0	77	0	59	8	75	8	79	4	53	6
1813	January	1	-	119	10	62	2	64	8	44	3	67	3	66	1	48	7
	July	-	1	116	3	74	2	57	9	44	10	81	0	84	1	45	6
1814	January	1	-	76	7	47	0	40	7	27	2	52	0	54	5	36	0
	July	-	1	67	9	41	9	26	0	26	0	43	11	47	7	30	8
1815	January	1	-	65	8	41	4	20	2	24	4	33	2	44	1	52	11
	July	-	1	67	10	34	11	20	8	16	6	39	0	39	11	32	0
1816	January	1	-	58	7	34	4	15	11	19	9	31	0	34	0	27	0
	July	-	1	73	8	40	2	29	0	21	3	34	9	34	3	30	1
1817	January	1	-	104	10	61	10	52	11	30	9	61	2	67	9	59	6
	July	-	1	109	1	68	2	52	6	30	0	54	10	57	11	44	6
1818	January	1	-	85	4	50	9	45	11	27	10	58	5	57	0	34	7
	July	-	1	84	4	53	1	48	3	22	0	67	10	54	1	36	1
1819	January	1	-	78	10	57	9	63	6	35	1	79	2	70	9	58	6

Appendix, N° 40.

AN ACCOUNT of the Aggregate Value (as calculated at the Average Market Prices in England and Wales) of all CORN, GRAIN, MEAL and FLOUR, imported into GREAT BRITAIN during each of the last Six Years.

YEARS.	From Foreign Ports.			From Inland the Isle of Man.			From All Parts of the World.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
1813 - - -	2,192,292	3	0	2,782,915	18	8	4,975,207	3	8
1814 - - -	2,815,319	4	—	1,682,812	—	—	4,498,131	4	—
1815 - - -	792,345	8	11	1,300,439	18	1	2,192,784	1	—
1816 - - -	943,637	12	7	1,461,352	—	11	2,405,089	—	6
1817 - - -	2,422,822	10	6	1,362,021	3	10	3,784,843	—	4
1818 - - -	10,928,140	—	2	2,362,489	2	10	13,290,629	2	—

Custom House, London, }
26th February 1818. }

W. Irving.

**Appendix, N° 41.—AN ACCOUNT OF THE QUANTITIES OF CORN,
In the Years ending the 31st January 1816, 1817, and 1818**

1816. QUANTITIES OF CORN, GRAIN, MEAL AND FLOUR, IMPORTED INTO

COUNTRIES FROM WHICH IMPORTED.	CORN AND GRAIN; VIZ.									
	Barley.		Tritic.		Indian Corn.		Oats.		Rye.	
	Quentrs.	Bush.	Quentrs.	Bush.	Quentrs.	Bush.	Quentrs.	Bush.	Quentrs.	Bush.
Russia	—	—	—	—	—	—	4	1	—	1,418
Sweden	—	—	—	—	—	—	—	—	—	607
Norway	10	1	—	—	—	—	0	4	7	0
Denmark	1,184	4	—	—	—	—	7,015	0	—	811
Prussia	—	—	317	0	—	—	270	4	220	5
Germany	85	0	7,414	7	—	—	22,077	5	00	4
Holland	191	5	001	1	—	—	07,280	0	181	7
Flanders	—	—	1,000	5	—	—	11,715	1	1	5
France	441	1	1,045	0	—	—	11,920	0	327	1
Portugal, &c.	—	—	—	—	1	0	—	—	—	—
Spain, &c.	—	—	—	—	—	—	—	0	0	—
Offshoot	—	—	—	—	—	—	—	—	—	—
Italy	—	—	0	1	—	—	—	—	—	0
Helm	—	—	—	—	—	—	—	—	—	—
Iles, Guernsey and Jersey	05	0	—	—	—	—	44	0	—	1,130
Africa	—	—	—	—	0	5	—	—	—	—
British Provinces in North America	—	—	—	—	—	—	—	—	—	—
British West Indies	—	—	—	—	—	—	—	—	—	—
Foreign West Indies	—	—	—	—	—	—	—	—	—	—
United States of America	—	—	—	—	1	0	—	—	—	—
Polish Corn	100	5	—	—	—	—	2	0	105	0
TOTAL FROM FOREIGN COUNTRIES	1,098	0	11,003	0	2	5	100,314	1	1,287	0
Ireland, Foreign Produce	—	—	—	—	—	—	—	—	—	—
— Irish Produce	27,108	0	0,270	7	—	—	576,544	7	426	6
Isle of Man	411	0	40	0	—	—	320	0	11	3
TOTAL QUANTITIES IMPORTED INTO GREAT BRITAIN, IN THE YEAR ended 31st January 1816	20,578	0	12,313	7	2	5	627,058	8	707	4

GRAIN, MEAL AND FLOUR, IMPORTED INTO GREAT BRITAIN,
respectively; distinguishing the Countries from which Imported.

GREAT BRITAIN, IN THE YEAR ENDED FIFTH JANUARY 1866.

MEAL AND FLOUR: <i>VIZ</i>					TOTALS OF ALL SORTS IMPORTED	
Barley Meal.	Indian Meal.	Oat Meal.	Rye Meal.	Wheat Meal and Flour.	Corn & Groats.	Meal & Flour.
Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Quarters. Bus.	Cwt. qrs. lbs.
" " "	" " "	" " "	" " "	1 3 12	1,443 0	1 3 12
" " "	" " "	" " "	" " "	" " "	607 4	—
" " "	" " "	" " "	" " "	" " "	18 2	—
" " "	" " "	" " "	" " "	" " "	2,250 0	—
" " "	" " "	" " "	" " "	" " "	10,486 5	—
" " "	" " "	1 0 14	" " "	" " "	15,077 6	1 0 14
" " "	" " "	" " "	" " "	738 0 0	81,800 1	738 0 0
" " "	" " "	" " "	" " "	2,111 3 15	58,143 0	1,111 3 15
" " "	" " "	" " "	4,077 2 17	23,009 0 00	67,730 1	26,705 3 11
" " "	" " "	" " "	" " "	" " "	1 0	—
" " "	" " "	" " "	" " "	" " "	0 0	—
—	—	—	—	—	—	—
" " "	" " "	" " "	" " "	11 0 10	0 0	11 0 10
—	—	—	—	—	—	—
" " "	" " "	" " "	" " "	4,583 1 12	1,302 4	4,583 1 12
" " "	" " "	" " "	" " "	" " "	0 5	—
" " "	" " "	" " "	" " "	87 0 0	—	87 0 0
" " "	0 1 0	" " "	" " "	10 3 07	—	11 0 07
" " "	" " "	" " "	" " "	43 0 8	—	43 0 8
" " "	" " "	" " "	" " "	139,042 0 05	1 0	139,042 0 05
" " "	" " "	120 2 0	80 1 1	93 0 1	380 0	443 3 0
" " "	0 1 0	103 0 14	4,157 2 18	200,996 1 7	270,400 5	200,998 0 11
—	—	—	—	—	—	—
" " "	" " "	21,221 0 4	" " "	106,240 3 18	700,842 0	120,420 3 10
" " "	" " "	7 1 25	" " "	20 0 0	3,046 5	27 1 25
" " "	0 1 0	32,009 0 10	4,157 2 18	300,219 0 25	1,000,423 0	340,000 0 2

(A.)—QUANTITIES OF CORN, GRAIN, MEAL AND FLOUR, IMPORTED INTO

1847.

COUNTRIES FROM WHICH IMPORTED.	CORN AND GRAIN, &c.							
	Wheat		Barley		Indian Corn		Oats	
	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.
Russia	302	3	—	—	—	—	—	—
Sweden	388	0	—	—	—	—	—	—
Norway	—	—	—	—	—	—	—	—
Denmark	2,168	7	—	—	—	—	—	—
Prussia	1,095	1	—	—	—	—	—	—
Germany	1,560	3	—	—	—	—	—	—
Holland	1,440	5	—	—	—	—	—	—
Flanders	2,302	1	—	—	—	—	—	—
France	823	0	—	—	—	—	—	—
Portugal, &c.	—	—	—	—	—	—	—	—
Spain, &c.	—	—	—	—	—	—	—	—
Gibraltar	—	—	—	—	—	—	—	—
Italy	—	—	—	—	—	—	—	—
Malta	—	—	—	—	—	—	—	—
Liver, Guernsey and Jersey	—	—	—	—	—	—	—	—
The East Indies	—	—	—	—	—	—	—	—
Isle of Good Hope	—	—	—	—	—	—	—	—
British Possessions in North America	—	—	—	—	—	—	—	—
British West Indies	—	—	—	—	—	—	—	—
United States of America	—	—	—	—	—	—	—	—
Buenos Ayres	—	—	—	—	—	—	—	—
The Brazils	—	—	—	—	—	—	—	—
Total from Foreign Countries	14,884	0	24	4	0	2	75,177	4
Ireland (Foreign Produce)	—	—	—	—	—	—	—	—
Do. (Irish Produce)	60,123	7	5,082	5	—	—	80,540	3
Isle of Man	1,374	6	0	4	—	—	687	2
Total Quantities Imported into Great Britain, in the Year ended 31st January 1847	76,381	3	5,106	9	0	2	155,394	9

GREAT BRITAIN, IN THE YEAR ENDED FIFTH JANUARY 1893—continued.

MEAL AND FLOUR, <i>VIZ.</i>					TOTAL OF ALL WHEAT IMPORTED.	
Barley Meal.	Bolan Meal.	Oat Meal.	Rye Meal.	Wheat Meal and Flour.	Cash & Grain.	Meal & Flour.
Cents. qrs. lbs.	Cents. qrs. lbs.	Cents. qrs. lbs.	Cents. qrs. lbs.	Cents. qrs. lbs.	Quoties. lbs.	Cents. qrs. lbs.
- - -	- - -	- - -	- - -	388 1 95	14,087 7	388 1 95
- - -	- - -	- - -	- - -	- - -	623 6	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	14,874 4	- - -
- - -	- - -	- - -	- - -	- - -	94,731 0	- - -
- - -	- - -	- - -	- - -	- - -	94,196 8	- - -
- - -	- - -	- - -	- - -	- - -	94,218 8	- - -
- - -	- - -	- - -	- - -	- - -	14,009 4	- - -
- - -	- - -	- - -	- - -	- - -	1,169 5	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	0 1	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	100 0 10	606 3	100 0 10
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	9 3 18	0 0	9 3 18
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	15,005 1 05	1 0	15,005 1 05
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	- - -	- - -	- - -
- - -	- - -	- - -	- - -	15,700 1 2	308,445 3	15,700 1 0
- - -	- - -	- - -	- - -	- - -	- - -	- - -
5 0 0	- - -	32,450 0 21	- - -	81,000 3 03	829,070 5	115,437 0 10
- - -	- - -	44 0 0	- - -	11 1 00	3,000 1	55 1 00
5 0 0	- - -	31,300 0 03	- - -	105,750 0 17	1,141,097 1	141,038 3 10

(44)—QUANTITIES OF CORN, GRAIN, MEAL AND FLOUR, IMPORTED INTO

1818.

COUNTRIES FROM WHICH IMPORTED.	CORN AND GRAIN, VIZ													
	Barley.		Rye.		Indian Corn.		Oats.		Peas.		Beans.		Wheat.	
	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.	Quarters.	Bush.
Russia	17,107	6	-	-	-	-	110,097	7	4	0	80,817	7	100,074	2
Sweden	-	-	-	-	-	-	-	-	-	-	307	0	307	6
Norway	0	7	-	-	-	-	-	-	-	-	-	-	103	1
Denmark	43,115	3	-	-	-	-	84,003	4	981	3	3,703	0	10,003	1
Prussia	44,558	4	-	-	-	-	58,300	3	10,000	7	36,307	3	104,711	7
Germany	10,000	4	1,000	4	-	-	107,034	5	300	6	10,100	3	101,000	7
Holland	4,330	0	997	5	-	-	104,435	5	400	4	4,000	4	17,773	3
Flindere	1,800	0	14	0	-	-	3,000	1	48	0	573	3	10,004	7
France	373	0	91	0	-	-	300	0	-	-	-	-	1,000	0
Portugal, &c.	1,115	4	-	-	1	0	-	-	-	-	40	4	30	5
Spain, &c.	115	5	-	-	-	-	400	0	10	3	-	-	1,004	0
Gibraltar	-	-	-	-	-	-	-	-	-	-	-	-	90	0
Italy	70	0	-	-	-	-	-	-	-	-	-	-	17,000	4
Malta	-	-	-	-	-	-	-	-	-	-	-	-	1,000	7
Isla, Germany and Jersey	90	0	-	-	-	-	70	0	-	-	-	-	100	0
The East Indies	-	-	-	-	-	-	-	-	10	3	-	-	0	0
Cape of Good Hope	-	-	-	-	-	-	-	-	-	-	-	-	1,000	5
British Possessions in North America	-	-	-	-	0	4	-	-	0	3	-	-	14,000	1
British West Indies	-	-	-	-	0	0	-	-	-	-	-	-	-	-
United States of America	0	0	-	-	0	4	30	0	-	-	0	0	10,000	4
Batavia, Amoy	-	-	-	-	-	-	-	-	-	-	-	-	1,000	7
The Straits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total from Foreign Countries	133,400	4	3,500	1	0	3	470,007	0	13,140	7	134,337	0	710,324	7
Ireland, Foreign Produce	-	-	-	-	-	-	-	-	-	-	-	-	1,000	0
- - Irish Produce	10,740	3	1,074	4	-	-	504,407	5	10	0	-	-	50,340	0
Isle of Man	1,340	0	10	4	-	-	100	1	3	0	-	-	1,000	0
Total Quantities Imported into Great Britain, in the Year ended 31st January 1818	161,414	5	4,584	1	0	3	1,073,333	5	13,151	7	134,337	0	770,437	7

Custom House, London.]

GREAT BRITAIN, IN THE YEAR ENDED FIFTH JANUARY 1858—continued.

MEAL AND FLOUR, *VIZ.*

TOTAL OF ALL SORTS
IMPORTED.

MEAL AND FLOUR, <i>VIZ.</i>					TOTAL OF ALL SORTS IMPORTED.	
Barley Meal.	Indian Meal.	Oat Meal.	Rye Meal.	Wheat Meal and Flour.	Corn & Groats.	Meal & Flour.
Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Quarters. Bos.	Cwt. qrs. lbs.
- - -	- - -	- - -	17 3 10	5,358 0 17	494,491 5	5,358 3 27
- - -	- - -	- - -	- - -	121 3 3	554 5	121 3 3
1,433 3 0	- - -	- - -	- - -	- - -	106 0	1,433 3 0
- - -	- - -	- - -	- - -	- - -	143,601 5	- - -
- - -	- - -	0 1 11	- - -	13 1 5	414,344 1	13 1 10
- - -	- - -	- - -	- - -	70 0 11	553,381 5	70 0 11
- - -	- - -	0 1 10	- - -	448 3 18	108,131 5	448 1 10
- - -	- - -	- - -	556 0 5	- - -	18,713 7	556 0 4
- - -	- - -	- - -	- - -	3,313 0 17	3,314 0	3,313 0 17
- - -	- - -	- - -	- - -	- - -	1,389 7	- - -
- - -	- - -	- - -	- - -	574 0 5	3,400 5	574 0 5
- - -	518 3 10	- - -	- - -	9,303 3 4	381 3	10,136 1 10
- - -	1 3 5	- - -	- - -	0 3 21	21,889 4	0 1 17
- - -	- - -	- - -	- - -	- - -	1,358 7	- - -
- - -	- - -	- - -	- - -	15 0 0	337 0	15 0
- - -	- - -	- - -	- - -	- - -	43 1	- - -
- - -	- - -	- - -	- - -	- - -	1,389 5	- - -
- - -	- - -	- - -	- - -	35,054 1 23	15,315 0	35,054 1 23
- - -	- - -	- - -	- - -	574 0 17	0 1	574 0 17
- - -	0 0 3	- - -	15,167 0 5	1,034,337 1 3	15,050 1	1,039,766 3 17
- - -	- - -	- - -	- - -	- - -	1,080 7	- - -
- - -	- - -	- - -	- - -	1,438 0 15	- - -	1,438 0 15
1,333 3 0	530 0 11	0 3 5	12,781 1 13	1,031,830 3 21	1,475,110 0	1,114,379 0 14
- - -	- - -	- - -	0,333 0 0	7,304 3 21	1,180 1	10,117 3 11
83 0 0	- - -	10,211 0 21	- - -	15,528 1 4	574,368 4	49,623 1 13
40 0 0	- - -	121 3 13	- - -	16 0 0	3,337 1	177 3 13
1,361 3 0	530 0 11	25,133 3 10	21,104 1 13	1,177,680 0 18	1,155,531 7	1,179,310 0 16

W. Irving.

Appendix, N° 42.

QUANTITIES OF CORN, GRAIN, MEAL AND FLOUR, IMPORTED INTO

1819.

COUNTRIES FROM WHICH IMPORTED.	CORN AND GRAIN; VIZ.							
	Barley.		Rice.		Indian Corn.		Oats.	
	Quintals.	Bushels.	Quintals.	Bushels.	Quintals.	Bushels.	Quintals.	Bushels.
Russia	74,181	0	-	-	-	-	208,202	4
Sweden	507	4	-	-	-	-	506	0
Norway	150	0	-	-	-	-	-	-
Denmark	142,115	5	2,402	2	-	-	122,802	1
Prussia	180,125	4	5,805	7	-	-	131,878	1
Germany	142,389	0	24,870	7	-	-	127,222	4
Holland	98,000	0	15,325	3	-	-	119,318	0
Flinders	61,444	5	14,191	0	-	-	75,510	3
France	-	-	2,570	0	-	-	1,247	0
Portugal, &c.	-	-	305	2	0	2	-	-
Spain, &c.	141	0	411	7	-	-	0	3
Gibraltar	-	-	2,127	7	-	-	-	-
Italy	344	0	20,001	0	56	2	5	0
Malta	-	-	8,028	2	-	-	-	-
Turkey	783	3	0	1	-	-	-	-
Iles, Guernsey and Jersey	157	4	0	5	-	-	141	0
The East Indies	4	2	0	6	-	-	12	0
Cape of Good Hope	-	-	-	-	-	-	-	-
British Provinces in North America	105	3	-	-	-	-	5,315	3
United States of America	360	3	-	-	1,354	7	434	1
TOTAL from Foreign Countries	692,691	5	115,044	1	1,411	3	585,793	3
Ireland, Foreign Produce	-	-	-	-	-	-	-	-
D ^o - Irish Produce	25,324	4	4,767	5	-	-	1,001,247	7
Ile of Man	1,823	2	-	-	-	-	1,869	3
TOTAL Quantities Imported into Great Britain, in the Year ended 5th January 1819	724,780	3	120,711	6	1,411	3	1,000,010	5

Custom House, London,
20th February 1819.

Appendix, N° 42.

GREAT BRITAIN, IN THE YEAR ENDED FIFTH JANUARY 1819.

MEAL AND FLOUR; viz					TOTAL OF ALL SORTS IMPORTED.	
Barley Meal.	Wheat Meal.	Oat Meal.	Rye Meal.	Wheat Meal and Flour.	Corn & Groats.	Meal & Flour.
Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Cwt. qrs. lbs.	Quarters. lbs.	Cwt. qrs. lbs.
- - -	- - -	- - -	- - -	1,111 0 14	076,474 6	1,111 0 14
- - -	- - -	- - -	- - -	- - -	1,183 4	- - -
- - -	- - -	- - -	- - -	- - -	1,271 0	- - -
3 3 0	- - -	- - -	- - -	27 1 6	144,201 6	41 0 6
- - -	- - -	- - -	- - -	- - -	822,646 1	- - -
- - -	- - -	- - -	- - -	- - -	571,802 6	- - -
- - -	- - -	- - -	- - -	- - -	451,748 4	- - -
- - -	- - -	- - -	- - -	377 0 0	110,208 0	277 0 0
- - -	- - -	- - -	- - -	1 0 11	4,223 3	1 0 11
- - -	- - -	- - -	- - -	- - -	226 4	- - -
- - -	- - -	- - -	- - -	- - -	1,257 3	- - -
- - -	- - -	- - -	- - -	773 2 26	2,122 3	773 2
- - -	- - -	- - -	- - -	26 0 12	71,222 1	26 0
- - -	- - -	- - -	- - -	- - -	2,278 0	- - -
- - -	- - -	- - -	- - -	- - -	783 4	- - -
- - -	- - -	- - -	- - -	- - -	626 7	- - -
- - -	- - -	2 2 23	- - -	146 0 3	21 4	146 2 26
- - -	- - -	- - -	- - -	- - -	126 6	- - -
- - -	- - -	- - -	- - -	24,122 3 24	40,723 5	24,122 3 24
- - -	- - -	- - -	- - -	578,214 3 10	22,273 1	578,214 3 10
3 3 0	- - -	2 2 23	- - -	824,317 0 21	3,242,072 7	824,323 1 17
- - -	- - -	- - -	- - -	7,001 1 3	222 0	7,001 1 3
180 0 0	231 0 0	107,272 3 2	- - -	11,258 2 0	1,127,241 1	142,742 1 2
- - -	- - -	122 2 26	- - -	23 0 0	7,246 1	226 2 26
183 3 0	232 0 0	107,223 1 12	- - -	825,320 2 25	4,225,221 1	725,225 0 16

William Irving,
Inspector Gen.

Appendix, N° 43.

An Account of the Total Amount of FOREIGN PROPERTY in the British Funds, on the 14th November 1810, and also a half Yearly Account on the 14th February and 31st August in each Year, to 31st August 1818, inclusive.

	TOTAL OF STOCKS.	TERMINABLE ANNUITIES
1810: November 24 - -	14,586,884	5,783
1811: August - 31 - -	14,705,327	5,786
1812: February 29 - -	14,866,476	5,787
August - 30 - -	14,849,887	5,777
1813: February 27 - -	15,115,705	5,558
August - 31 - -	15,329,107	5,758
1814: February 28 - -	15,329,176	5,758
August - 31 - -	15,600,341	5,830
1815: February 28 - -	15,878,190	6,111
August - 31 - -	16,669,889	6,427
1816: February 29 - -	17,324,458	6,563
August - 31 - -	17,425,100	6,511
1817: March - 1 - -	18,350,711	6,130
August - 30 - -	18,306,207	5,582
1818: February 28 - -	18,729,618	5,764
August - 31 - -	18,486,013	5,791

Bank of England,
March 1819.

Appendix, N° 44.

An Account of the Total Amount of BILLS of EXCHANGE drawn upon the Treasury and of Sums paid by the Commissary in Chief for Salaries, &c. in the under-mentioned Years.

YEARS.	BILLS upon the Treasury			PAYMENTS by the Commissary in Chief			TOTAL.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
1813 - - -	19,070,281	—	—	1,734,338	6	9	20,804,619	6	9
1814 - - -	20,223,290	3	11 $\frac{1}{2}$	5,382,781	7	6	25,606,071	11	3 $\frac{1}{2}$
1815 - - -	2,108,838	6	11 $\frac{1}{2}$	11,013,313	15	5	13,122,151	2	4 $\frac{1}{2}$
1816 - - -	4,881,070	11	11 $\frac{1}{2}$	1,281,284	6	—	6,162,354	17	11 $\frac{1}{2}$
1817 - - -	3,404,070	15	3	-	-	-	3,404,070	15	3
1818 - - -	1,287,057	16	8 $\frac{1}{2}$	-	-	-	1,287,057	16	8 $\frac{1}{2}$
	£ 29,865,516	14	9 $\frac{1}{2}$	18,301,003	15	8	£ 48,166,519	10	5 $\frac{1}{2}$

REMITTANCES were made from Abroad by Bills or Certificates upon various Public Departments, for Sums advanced to their Officers out of the above Sums; but these Remittances were for Sums advanced or actually expended Abroad, consequently they did not diminish the total Amount of Foreign Expenditure as incurred by the British Government. The following Remittances were received from France upon various accounts, and may be set against the Foreign Expenditure, viz.

In 1816 - - -	£ 354,087	7	10
In 1817 - - -	513,080	19	4
In 1818 - - -	1,346,268	1	—
	£ 2,213,435	8	2